



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

Near East & South Asia

19980113 252

DTIC QUALITY INSPECTED 2

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA 22161

Near East & South Asia

JPRS-NEA-92-002

CONTENTS

6 January 1992

NEAR EAST

PALESTINIAN AFFAIRS

Gazan Notables Discuss Opposition to Peace Talks [Jerusalem AL-BAYADIR AL-SIYASI 16 Nov]	1
Advisory Committee Member Voices Skepticism on Talks [Jerusalem AL-USBU' AL-JADID 15 Nov]	8
Sa'ib 'Urayqat Defines Role Among Palestinians [Tel Aviv YEDI'OT AHARONOT 2 Dec]	10
Results of Demographics Study in Gaza [Jerusalem AL-BAYADIR AL-SIYASI 16 Nov]	11

ISRAEL

New Undercover Units in Territories [BAMAHANE 13 Nov]	14
Officer Claims Fatah Behind Most Intifadah Attacks [BAMAHANE 20 Nov]	15
Lebanese Abductions Signal Further Activity Possible [HA'ARETZ 22 Dec]	16
Economic Forecast for New Year [MABAT 30 Dec]	16
Figures on Balance of Foreign Debt [MABAT 31 Dec]	17

JORDAN

Text of Government's 1992 Budget [AL-DUSTUR 20 Nov]	17
---	----

LEBANON

Commentary: Water War Will Follow Political War [London AL-HAWADITH 8 Nov]	23
Former Minister Junblatt on Economic, Political Issues [London AL-HAWADITH 8 Nov]	25
Changes in Phalangist Orientation Discussed [London AL-SHARQ AL-AWSAT 4 Dec]	27
Minister Reports Improvement in Balance of Payments [London AL-SHARQ AL-AWSAT 14 Nov]	27
Dallul on Agriculture, Smuggling, Narcotics [London AL-HAWADITH 8 Nov]	28

MOROCCO

PPS Leader Renews Call for 'National Charter' [London AL-SHARQ AL-AWSAT 5 Dec]	30
Boucetta Explains USFP, Istiqlal Common Front [L'OPINION 17 Dec]	32
Financial Cooperation Accord Signed With Germany [ALMAGHRIB 4 Dec]	33
Foreign Investment Trends Outlined [London AL-SHARQ AL-AWSAT 16 Nov]	33
European Unity Model for Maghreb Unity [L'OPINION 14 Dec]	34
Solution to Ceuta, Melilla Dispute Urged [L'OPINION 17 Dec]	34
Trade Minister Discusses Priority Issues [London AL-SHARQ AL-AWSAT 26 Nov]	35
Governors Launch Various Socioeconomic Projects [MAROC SOIR 20 Nov]	37

TUNISIA

Increased Investment in Date Industry Urged [LE TEMPS 30 Nov]	39
---	----

UNITED ARAB EMIRATES

General Studies Purchase of Soviet Fighters [AL-KHALIJ 8 Nov]	40
---	----

WESTERN SAHARA

Hadrami, Delegation Address London Press Club [Rabat L'OPINION 13 Dec]	41
Semara Inhabitants Comment on Referendum [Rabat L'OPINION 11 Dec]	42

SOUTH ASIA

BANGLADESH

Rules for January Elections Announced [THE NEW NATION 4 Dec]	44
Solutions Urged in Volatile Chittagong Hill Tract [SANGBAD 28 Oct]	44
Statistics on Seizure of Smuggled Goods [THE NEW NATION 14 Nov]	46

INDIA

JKLF Commander Interviewed on Plans, Prospects [Islamabad HURMAT 19 Oct]	47
--	----

NEPAL

U.S. Role as 'World Supercop' Attacked [THE RISING NEPAL 1 Dec]	51
Nation's Prosperity Seen Linked With Indian Growth [THE RISING NEPAL 29 Nov]	52
Communists Said Leaving NCP(UML) [THE MOTHERLAND 26 Nov]	55
Politics Said Moving Back 'to the Streets' [THE MOTHERLAND 30 Nov]	55
New Panchayat Party Said Forming [THE MOTHERLAND 28 Nov]	55
Bhutanese Refugee Number Reaches 5,000 [THE MOTHERLAND 30 Nov]	56
Foreign TV Programs Seen Devastating Local Culture [THE RISING NEPAL 22 Nov]	56
Five-Year Economic Plan Detailed [THE RISING NEPAL 3 Dec]	58

PALESTINIAN AFFAIRS

Gazan Notables Discuss Opposition to Peace Talks

92AE0110A Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 16 Nov 91 pp 20-24

[Article by Rashad al-Madani and Hani Abu-Zayd: "Palestinian Delegation, Next Stage; Palestinian Opposition Under Analysis"]

[Text] Starting with the parade of events and issues of the hour, and proceeding to the critical nature and seriousness of the next stage, and in order to shed light on new developments and pressing issues that concern the Palestinian man in the street, AL-BAYADIR AL-SIYASI conducted this forum in order to look into the future concerning events in the coming negotiations.

The following dignitaries took part in this forum: Professor 'Abd-al-Latif 'Ubayd; Dr. Nabil Rushdi al-Shawwa; and, Professor (lawyer) Ayyad al-'Ilmi. Unable to attend was Professor (lawyer) Yunis al-Jarru.

The forum lasted for an hour and a half on 9 November 1991, in AL-BAYADIR AL-SIYASI's Gaza office.

[AL-BAYADIR AL-SIYASI] for the first time in the history of the Arab-Israeli conflict, for more than 40 years, and after Baker's trips to the region and the holding of the Palestinian National Council [PNC] with its adoption of a resolution to participate in the peace process, the Madrid Conference was held. In light of this situation, certain Palestinian tendencies in opposition to this conference have emerged. As an example, we could say that the results of this conference will put an end to the deeds, sacrifices, hopes, etc., of the Palestinian people. In your opinion, what is your evaluation of this opposition? Will this opposition try to understand the strategy of Palestinian agreement to and participation in the peace conference and, consequently, will it change its positions or will it continue to oppose?

[Prof. 'Ubayd] I hope that this meeting will be a meeting between brothers, and that we can agree upon the goal first, and not meet in competition or fanaticism, because fanaticism blinds perception. I hope that this meeting is to uncover facts and bring viewpoints closer together. With regard to the opposition, opposition is found in every regime in the world; it is healthy. However, all world regimes, and I mean the civilized world, have opposition within guidelines and with a commitment to the majority decision. This does not mean that they ignore opposition views, but the opposition in civilized countries is required ultimately to adhere to the majority view. Then the role does not become destructive, and nothing more. Opposition in the occupied territories to the Madrid Conference cannot neglect its role. As the proverb says, it is a mistake to put all our eggs in one basket. However, our opposition in the occupied territories disregards PNC resolutions at times, and ignores the Palestinians' majority view. Accordingly, this position is a reproach to Palestinian opposition, which is not following a true democratic course, especially if it should

resort to imposing its views by force. If views are imposed by force, there is no call for a PNC, and no reason, because we call for democracy, which means that every voice has a right to be heard. However, ultimately, all voices are governed by one position, which is respect for the majority in the conference or on the street. Accordingly, I would like to note that the opposition in the Palestinian street, by which I mean the occupied territories, needs to fill out the other side of its position, which is adherence to the majority view.

[Prof. al-'Ilmi] If we want to discuss opposition in the Palestinian scene, I differ with Professor 'Abd-al-Latif, who said that the opposition is not committed to PNC resolutions. It is clear to all that the Palestinian opposition is committed to PNC resolutions, but is practicing its democratic right. The truth of my statement is confirmed by the fact that the participants in the Madrid Conference went beyond the rules decided in the PNC, in terms of forming and announcing a delegation, as well as in terms of omitting the subject of Jerusalem. Accordingly, we are faced with a clear breach of those rules. The opposition is democratically legitimate, and has not gone beyond a national consensus.

[Dr. al-Shawwa] Opposition is a natural, healthy matter, and should exist. I believe that a sudden change in position could occur with certain violations, because of the rapidity of an unexpected event. However, it would be temporary and, later, a kind of commitment would occur. Even if the commitment does not occur, a change in the opposition's positions might happen, in accordance with the conference's results. If a kind of progress is made, and we can obtain a state, then at least a part of the opposition could change their views, either out of conviction, or on the basis that they would have a role in the next stage. Unless progress is made, certainly the opposition will increase.

[AL-BAYADIR AL-SIYASI] It is clear that there are some differences between the views of 'Abd-al-Latif (Abu-Suhayl) and the views of Brother Ayyad. However, we want to ask Ayyad, as long as the participants in the Madrid Conference have gone beyond the rules laid down by the PNC, as Brother Ayyad stated, in your opinion, what is the alternative to that?

[Prof. al-'Ilmi] The alternative is not to yield to Israeli conditions. It is clear to all that this was done in the first hours of the conference. The alternative is to stick to national invariables. The martyr Talu al-Shahid fell defending these invariables. The alternative is to stick to the UN resolutions and call for their application. The alternative is to stick to the one, sole Palestinian representative, the PLO, and not to replace it with any other representation. The alternative is clear and obvious: 'Yes' to UN resolutions. If there was an intention, as some claim, that America at this stage could put pressure on Israel and achieve results from this conference, then it should be noted that this opposition occurred because of Israeli terms and the Palestinian side's surrender.

[AL-BAYADIR AL-SIYASI] Can you enumerate some of these Israel conditions?

[Prof. al-'Ilmi] Those conditions are the replacing of the scope of UN resolutions with direct negotiation, without prior conditions, and no PLO Palestinian representation. From this starting point, I would re-emphasize that the alternative is clear. It is adherence to our Palestinian invariables, the right of self-determination, the right of return, the right to establish the Palestinian state about which as yet we have heard nothing. We have the right to choose our representation; our representative is clear, it is the PLO. It would have been better for us to adhere to those invariables.

[Prof. 'Ubayd] The fact is that I do not claim that I understand the opposition's position very well. I would emphasize that the Palestinian negotiating delegation expressed courageously, carefully, and clearly all the sentiments of the Palestinian people. Dr. Haydar 'Abd-al-Shafi, the head of the Palestinian delegation—in my opinion—did not write his speech alone; on the contrary, the assumption is that behind this speech was the PLO's full political organization, which put into his speech whatever it wanted. My observation is that the Palestinian man-on-the-street's response to this speech was excellent. I did not feel, even momentarily, that anyone objected to the content of this speech, even within the framework of the opposition itself.

[AL-BAYADIR AL-SIYASI] Does your statement mean that the PLO took part in the conference indirectly?

[Prof. 'Ubayd] Yes. This is the PLO's actual position.

[Dr. al-Shawwa] Actually, I would like to comment on two points:

1. We need to stop the deterioration in our midst. Deterioration from the settlement issue, and clear deterioration in all life's amenities, public agencies, and the infrastructure of Palestinian society. I believe that this situation will become worse, as long as we have no power to do more than we are doing. The power that I mean is material power. Moral power exists, thank God; that is what saves the Palestinian people. I object to the opposition's position in this regard.

2. The opposition itself is strengthening the position of the negotiator in the Madrid Conference; this opposition provides him with strength and gives him room to maneuver.

[AL-BAYADIR AL-SIYASI] What do you think the opposition should be?

[Dr. al-Shawwa] As I said before, the opposition is going too far. This is not a problem or an obstacle; in a situation like ours, when we do not have a state, these differences are natural. This opposition gives the Palestinian negotiating delegation a stronger position. Our position is resolute. In the Camp David negotiations, Begin said: "I will go back to the opposition and consult with them." Whenever negotiations falter, the opposition strengthens the negotiators' position.

[Prof. 'Ubayd] First, I reject the view that the Palestinian people do not have a state. The Palestinian people have a state, recognized by more than 100 nations. The Palestinian people also have a Palestinian Parliament. Parliament has met more than once, and has issued resolutions in a sound democratic way that was recognized by the whole world, because they were issuing sound, democratic opinions. PNC resolutions are not like resolutions of Arab parliaments in terms of utopianism; on the contrary, PNC resolutions represent the true directions of Palestinian reality. Accordingly, there is a need for commitment, the opposition's commitment to these resolutions. I am sure that the opposition now is taking a stand outside the bounds of democracy, and is transgressing democracy by not respecting PNC resolutions, and by not respecting the great majority in the Palestinian street.

[AL-BAYADIR AL-SIYASI] What opposition do you mean, Abu-Suhayl?

[Prof. 'Ubayd] The opposition inside the PLO.

[Prof. al-'Ilmi] Let me comment on Professor Abu-Suhayl's statement, one of his statements, regarding the PLO's right to postpone or delay certain matters. We believe that what happens is like a tactic. It is clear to all that a limited ceiling has been imposed on all those taking part in this conference, including the Palestinian people in this joint Palestinian-Jordanian delegation. This ceiling makes it impossible to talk about establishing a Palestinian state, or to talk about return, or self-determination. The talk is only about autonomy. This is clear in the memorandum of understanding. The Palestinian—[speaker changes thought] American side says that the question of a Palestinian state is an undesirable matter, which America clearly does not support. This ceiling has the consent of the Palestinian side of the joint delegation, or rather, there is agreement on these conditions. About the doctor's statement, I would say that we have no real power, nor do we have an alternative. If it is recognized that we have no real say, what do we hope this conference will achieve in terms of the interests of our people? Negotiations are well-known for needing material and moral support, needing unity, which is one of the most important matters, and which strengthens and supports the negotiating delegation. Today, we lack this unity, which was supposed to have been safeguarded, protected, and defended.

[AL-BAYADIR AL-SIYASI] At this stage, the opposition encounters opposition inside and outside the PLO. There are mutual divisions between them. Despite the ideological differences of these parties, what is your view concerning the final outcome with regard to negotiations continuing? Is it possible that some of this opposition will merge together in one position inside and outside the PLO?

[Prof. al-'Ilmi] Talking about the coming together of different ideologies, today we are not currently concerned about unity with any quarter whose political position coincides. My conception of this encounter was

the result of two tendencies opposing participation in the Madrid Conference under these conditions.

[AL-BAYADIR AL-SIYASI] Have we avoided the question? Can all the opposition to the Madrid Conference come together in one position?

[Prof. al-'Ilmi] It is true that one cannot talk about opposition outside the PLO; the talk is that the opposition inside the PLO is opposed to legitimacy and democracy coming as a result of leaping over the invariables and rules. As for co-incidentally joining together with the position of the opposition outside the PLO, this is another matter.

[AL-BAYADIR AL-SIYASI] If we go back a little to 1974, when the PLO broached the question of an interim solution to establishing a Palestinian state in the occupied territories, there was opposition within the PLO. Most of the opposition factions left the PLO Executive Committee. I believed in this solution in 1980, despite the previous slogan of 'a Palestinian state on all of Palestine's soil.' Today, we are going back to the same previous method of opposition. Perhaps this conference will be a step on the threshold of the independent Palestinian state. What is your comment on that?

[Prof. al-'Ilmi] It will never be possible, because the negotiations in Madrid cannot achieve the establishment of a Palestinian state for us because, as I said before, there is clearly and distinctly a limited ceiling.

[Dr. al-Shawwa] I would like to comment on Abu-Suhayl's statement. I agree completely with him on Palestinian democracy, especially when it is compared to Arab states without exception. I differ with him on the question of the existence of a state now, because a state requires territory, people, and the authority to apply its laws and fly a flag over its territory. If there is a state now, why have a conference?

[AL-BAYADIR AL-SIYASI] Brother Abu-Suhayl, we think that you want to comment on this statement, because the doctor suggests that if the state really exists, why the conference?

[Prof. 'Ubayd] I speak for myself, as a member of the Palestinian community.

[Dr. al-Shawwa] All of us are members. Abu-Suhayl digresses. The Palestinian people, with PLO leadership, have accomplished the Palestinian state. The fact is that the Palestinian state does not own territory at the present time, but this does not mean that we as Palestinians do not recognize the fact of this state. Some states were established in exile, and then the last condition was achieved, the last component, which is land. The Palestinian people are still on their land. We conduct our business in large part just as though we were a state. Whether or not the enemy or the UN recognizes that we are not a state, it is another matter that perhaps the enemy clings to, while individuals among the Palestinian people do not cling to.

[Dr. al-Shawwa (Abu-Rushdi)] We have heard the truth about governments in exile, but a state in exile is another matter. I am proud of the fighting spirit that we have attained. This is my recognition of reality. In reality, a state does not exist, but we are striving for it now. We are proud that we have a government that has been recognized by most of the world's nations.

[Prof. 'Ubayd] My last comment is that I still recognize that we have a Palestinian state, and I am committed to all its resolutions and orders.

[AL-BAYADIR AL-SIYASI] According to your thesis, then, the PLO is taking part in the peace negotiations; it is the one that wrote the Palestinian speech. Can it participate in a coming stage of negotiations with the Israelis?

[Prof. 'Ubayd] The answer is yes, and in support of the statement that Hani made—that Israel refused to accept PLO participation for its own reasons and not, as it claims, because of terrorist reasons—then when Israel rejects PLO participation in its special explanation, it rejects the rights of the Palestinian people outside the occupied territories. So long as the Madrid Conference includes the rights of the Palestinian people abroad, it cannot keep the PLO out of the conference. The rights of the Palestinian people in exile are on the table and well known. Whatever this conference does, there will not be any justification to reject PLO participation.

[Prof. al-'Ilmi] The answer is categorically no, because if we assume that the PLO is running the negotiations, and if there is intent to introduce the PLO for recognition by the international community as the sole and legal representative of the Palestinian people, it would be more appropriate for America to re-open contact with the PLO and contact with the representatives of the Palestinian people, as was done previously. The PLO has been sidestepped and jumped over and, therefore, one of Israel's conditions has been attained, the abolishment of the PLO's role as sole, legitimate representative of the Palestinian people.

[Dr. al-Shawwa] Reality is the scope of affairs and changes that continuously occur in policy and in our examination of what happened during the opening sessions. I believe that it [the PLO] will participate soon, because it is now, in fact, participating indirectly. It is conducting the negotiations through the Palestinian delegate. Years ago, Golda Meir said there is nothing in their name, the Palestinian people. Later, Begin said that Palestine is the historic name for the land of Israel, and later the word Palestinians returned. Currently, in support of Abu-Suhayl's statement, the Israelis oppose the PLO and even attempt to make the issue a refugee issue—and human rights—and ignore the Palestinian abroad. In my opinion, gradually, the PLO must enter the negotiations directly.

[AL-BAYADIR AL-SIYASI] How can peace be achieved, with the mechanism of construction still continuing inside the occupied territories? International laws and the Fourth Geneva Convention stipulate that

settlement be forbidden on occupied territory. Can settlement be an issue that should be negotiated between the Palestinian delegate and the Israeli delegate?

[Prof. 'Ubayd] In my opinion, real peace cannot exist with the retention of settlements, because settlement is a glaring indicator of Israel's "expansionist" policy. It has always dreamed of achieving the Zionist dream. It has been put on notice now by international and Arab positions, and the position of principle, that these dreams are impossible to achieve. Even the considerations upon which Israel relied to achieve this policy—which is to strive for secure, geographic borders—all these considerations have been struck down in the Gulf war. Secure borders have become borders of peace, borders of justice, borders of international accord. If Israel is sincere in calling for peace, it must remove all these settlements. In my opinion, the Palestinian and Arab side will not concede one centimeter in their demand to abolish these settlements.

[AL-BAYADIR AL-SIYASI] With regard to this point, Israel thinks that Palestine is its territory, but there is an Israeli thesis that the Gaza Strip is not a part of Israel. In the next negotiating round, do you think that Israel will offer to withdraw from the Gaza Strip? What would the Palestinian delegate's reply be to this proposal?

[Prof. 'Ubayd] From the historical perspective, the Gaza Strip has never been subjected to the authority of the Jewish state, which did not endure for more than a century, and not only the Gaza Strip, but also the strip extending from Rafah to the city of Haifa. From the political aspect, if we take it in the context of time and history, the Jews as an entity in Palestine did not endure for more than one century. As for Arab presence, when it is measured in terms of time, it predates the coming of Jews to Palestine by 1,000 years. A senior world historian, Toynbee, recognized this. He objected to the British Balfour Declaration, since he said, "It gave a promise from those who did not own to those who had no right." History shows that this region is an Arab region, and that the Jews had no entity except in one part of Palestine, and this entity did not stand for more than 100 years. It is recognized that the Israeli authority in Palestine has only lasted a (short) period of time. Whenever this time is measured, the time in which the Arab presence was lost is a hundred times more than the time the Jews ruled and, consequently, the issue of historic right will not serve them. If they think that this country, meaning Palestine, is a suitable place for the Jewish gathering, many days were spent, more than once, in the Zionist Conference working to find entities for them in Africa and Latin America. This is proof that the historic right is a pretense and not a fact. They were striving for any place that would shelter them from the evils of the world. We recognize that the Jews were beset by many evils in Europe in the Middle Ages, and they found no hearts open to them except in Arab countries. The evidence for that is that the oppression that occurred in Spain when Arab rule was overturned, fell on both Arabs and Jews. This proves that since ancient times, the Arabs

have had excellent relations with Jews. If only it were possible for the Jews to enjoy this Arab sympathy.

[Prof. al-'Ilmi] The truth is that there is no possibility of talking about a just, comprehensive peace in light of these circumstances in which we live as Palestinians, especially, and as Arabs, in general, under the shadow of the collapse and weakness of the Arab side, and the collapse of the socialist system, with America standing alone in the world, imposing whatever is in its own interests.

[AL-BAYADIR AL-SIYASI] Does it impose whatever it wants even on the Soviet Union?

[Prof. al-'Ilmi] Naturally.

[AL-BAYADIR AL-SIYASI] At the outset of your talk, you demanded the application of UN resolutions and a conference conducted by the UN. We still remember vividly that America, in the Gulf war, imposed whatever it wanted on the UN. Now you say that it can even impose its views on the Soviet Union. Therefore, what good are the other nations and permanent members of the Security Council?

[Prof. al-'Ilmi] UN resolutions are not America and the Soviet Union; UN resolutions are clear resolutions and clear rights. By achieving them, we will have made international legitimacy prevail, which was what happened in the Gulf war. In fact, America is tantamount to all UN resolutions (international legitimacy).

[AL-BAYADIR AL-SIYASI] Is it international legitimacy?

[Prof. al-'Ilmi] It is international legitimacy, and today we demand the attainment of international legitimacy.

[AL-BAYADIR AL-SIYASI] Let's go back to the fact that America is the one that will impose whatever it wants on the UN.

[Prof. al-'Ilmi] By applying resolutions.

[Dr. al-Shawwa] The subject of settlement is a subject concerning a new *fait accompli*. In that regard, there must be a red line which one cannot cross. There can be no peace with settlements, because peace means agreement and the return of rights to their owners, without any Israeli presence remaining within the occupied territories.

[Prof. 'Ubayd] I would like to add a word about this subject. We might be prevented by timidity or shame from recognizing that the UN has become the property of the American administration. We should recognize that this era is the era of American hegemony. The question should be asked: What will America give us, as long as its era lasts?

In my opinion, this is the heart of the matter. Historically, what has happened between Israel and the US. Israel represents an important role for American policy. This concept has dominated man's thinking and, therefore, he has become pessimistic about results. However, pessimists forget that there has been a tremendous

change at this stage. The socialist camp and the strategic alliance of national liberation movements in the world, led by the PLO and other Arab liberation movements, has collapsed and America has been able, particularly after the Gulf war, to create a new reality, not only on the Arab region, but also on the UN itself. The question here is: What will the UN, or more correctly, the American administration, give us? My private opinion, private and personal only, and I could be wrong, is that the American administration, now concerned with solving regional problems in the world, is really trying to achieve its own self-interests. Its self-interests in the Middle East region have become international with regard to the Arab nations, and the Arab nations in the Gulf war gave clear proof that they were with American policy, or rather, that some Arab nations agreed with the American administration to form a strategic alliance and to grant it long-term fixed bases. Therefore, in my belief, the American position vis-a-vis Israel has changed. I don't say a radical change, but I do say that Israel now is concerned with solving the region's problems within the framework of American hegemony, concerned with satisfying the Arab parties, and especially the Arab governments with something that will permit them to save face, so that these regimes will remain in America's caravan. Israel is now demanding that the cost of the bill of concession be paid, because Israel, the aggressor against Arab territory, is the aggressor against Palestinian and Arab rights, and it is being asked now to pay the cost of the bill. In order to achieve this American policy, I think that the American administration cannot find a pressure point in the Israeli Government, because it—first and last—is trying to achieve its own interests more than Israel's interests. It is a fact that American interests were the ones to emerge in the Gulf war. The American administration deceived its European rival and partner by obtaining support from the Gulf war.

[Prof. al-'Ilmi] I would like to comment on Abu-Suhayl's statement that America is concerned with solving regional problems. I agree with this point, but disagree with him regarding several other points. Israel must pay the bill of concessions. It is very clear that the one who is paying this bill is the Palestinian side, beginning with the confiscation of its right to choose its representatives, and ending with the confiscation of the remaining rights and invariables for which it used to fight.

[AL-BAYADIR AL-SIYASI] Who do you mean by representatives?

[Prof. al-'Ilmi] The PLO. The second point is that America is concerned with solving regional problems in order to achieve its self-interests and, accordingly, will put pressure on Israeli governments, as though there were a conflict between Israeli interests and American interests. It is completely the opposite; interests are mutual between America and Israel.

[AL-BAYADIR AL-SIYASI] With the progress of negotiations, either in Madrid or America, or any place agreed to among the negotiating parties, will America succeed in forcing Israel to implement UN Resolutions

242 and 338, recognize the legitimate rights of the Palestinian people, and get out of the occupied Arab territories?

[Prof. 'Ubayd] Despite the repeated statements by officials in the American administration that they will not exert any pressure on the Israeli Government or on the Arab side, the fact is I feel that Israel attended the Madrid Conference reluctantly and not voluntarily. This is the first thing. There are other pressures besides American pressure; there is the pressure of world public opinion. I don't underestimate this pressure; on the contrary, I feel that, at the same time, it constitutes an enormous weight which no party to the negotiations at the Madrid Conference can ignore. The American administration embraced solving Middle East problems, and announced that to the entire world. It announced to the American people themselves that it was trying to resolve the Middle East problem by means of UN Resolutions 242 and 338. I believe that it will respect this position, because any government in the world tries to establish the credibility of its position, either at home or abroad. There is more than just conflict between Israel's position and the American position. This conflict has begun to have negative results with regard to the position of Jews in the US. I say again that masses of Jews have got together, gone into the White House, and telephoned against the American Government, demanding a halt, and support for the Israeli Government. President Bush's public response to the press and television was "If you are Americans, I represent American interests. I am the one who knows them, I am the one who tries to achieve them. If you are Israelis, this is not your place; go to Israel." I believe that the American administration is anxious to succeed in their position, because it has shown the world that it is a war hero. It is in its interests to be a hero of peace. Consequently, I don't think that the American Government will back down from its position, because that would erode its credibility at home and its credibility abroad. More specifically, concerning the Arab position, unless it is hiding something that will save face in this political round, the US will be unable to insure the continuation of these Arab regimes that spin in its orbit.

[AL-BAYADIR AL-SIYASI] America has declared that it will not intervene in the negotiations, but in this regard, will it force Israel to implement 242?

[Prof. 'Ubayd] I believe that it will not back away from imposing it.

[Prof. al-'Ilmi] With the progress of negotiations, America will not compel Israel to implement 242 and 338, first of all, because the term 'Palestinian state' was not mentioned at all. How do you expect America to force Israel to recognize this state and establish it, and even succeed? The talk here is about the West Bank and Gaza Strip; on the other hand, there is no mention of Jerusalem as the capital of the state of Palestine, for which we have waited a long time.

[AL-BAYADIR AL-SIYASI] At this stage, when we live in the shadow of one power, one weight, we ask for international legitimacy to be attained, that UN and Security Council resolutions be implemented. The world knows full well that America controls the UN and the Security Council, and will carry out whatever it wants through them. The Gulf war and the defeat of Iraq confirm this. What is wanted from us at this stage? We demand UN resolutions that are [not] controlled by America. Israel demanded negotiation with a delegation from inside the occupied territories and rejected cooperation with the PLO, despite the fact that it knows very well that the PLO is the prime mover behind the Palestinian negotiating delegation and that its selection was based on PLO decisions.

[Prof. al-'Ilmi] Conceding that America is everything causes any justification for our side's participation to be lost. It would have been better to wait for whatever America gives our people. There is no reason for all this hoopla. America's position as the dominate power cannot be compared with Israel and its rejection of the PLO. I don't see any comparison. This is one position, that is another.

[Dr. al-Shawwa] I believe that America will exercise pressure on Israel. It is necessary to analyze the reasons that will cause America, Israel's strategic ally, to exercise this pressure. What are the limits of this pressure? At this stage, after the collapse of the Eastern camp, America has become the sole power in the eyes of world public opinion. It is convinced that it is the world's only policeman. In the Gulf war, it was able to mobilize huge armies for the purpose of imposing international legitimacy (in its view). In the Arab nations, popular demonstrations occurred against America, and direct hatred of America by those masses emerged. Those masses are the same who call for Palestine's liberation and the establishment of an independent Palestinian state. Therefore, America has tried to extinguish the blaze of hatred through resolving the Middle East problem. After the Gulf war, America had to find a kind of credibility—on the basis of applying legitimacy. It also had to give a kind of reward to those Arab governments in its orbit, and satisfy the Arab masses that were hostile to the American administration's position. There are historical precedents for America's pressure on Israel. In the 1956 War, it was well known that America pressured Israel, Britain, and France, because they crossed the red line. Moreover, a few days before the withdrawal from the Sinai, Begin declared, "We will not withdraw." Despite that, he withdrew. The limits of pressure that America could exercise on Israel are governed by something more: first, the position of the Arab governments; second, the position of the Israeli Government and the conflicting trends within it; third, America's desire to implement its credibility. However, America's interests in the Middle East are many, especially in the Arab states. Here, it could achieve its interests in the Arab states without paying a price.

I think that pressure on Israel depends on the Arab side's firm negotiating stance. Concession and going-it-alone by the Arab side will decrease the pressure on Israel and vice-versa.

[Prof. 'Ubayd] I was able to read the memorandum of American assurances sent to the PLO, in which I saw that the American administration was working toward achieving a confederation between Palestinians and Jordan. If this matter was agreed to by the PNC, would this mean that we would oppose resolutions of Palestinian legitimacy?

Secondly, the issue of a Palestinian state was discussed by Khalid al-Hasan, who said, "We want a Palestinian state for five minutes; then we would announce our confederation with Jordan." I would infer from this statement by this senior member of the PLO that a Palestinian state on the West Bank and Gaza Strip would be incapable of resolving the Palestinian people's problems. Perhaps, the confederation with Jordan is a demand that is no less important than the demand for a Palestinian state, especially since the Palestinian people in exile are very numerous. If we were satisfied with establishing a Palestinian state in the West Bank and Gaza Strip, I think that the problem of the Palestinian people abroad would continue to be difficult to resolve.

America wants to solve the roots of the Palestinian people's issue. The Palestinian people in Kuwait alone number more than 300,000. The Gaza Strip is exploding with population pressures and overcrowding. The West Bank cannot absorb a large number. Palestinians number more than six million. Israel is afraid of a Palestinian state in the West Bank and Gaza Strip because, if all the Palestinian people are assembled there, it would not be big enough. After a brief period of time, there would either be shouting for an end to this state, or its borders would burst. In my opinion, American policy is aimed at attaining a confederation with Jordan. This would be a solution to the issue of the Palestinian people and the issue of the Palestinian state that all of us would respect and want. However, if we look carefully at Khalid al-Hasan's words that he wants a state for five minutes, we would see that this is only a moral request that he thinks proper for the masses. As for the practical aspect, the Palestinian people need twice this space. The presence of a state like Jordan, whose area is approximately 100,000 square kilometers, and with open borders with many Arab states is, in my opinion, the radical solution to the problems of the Palestinian people.

[AL-BAYADIR AL-SIYASI] Abu-Suhayl, do you propose a confederation with Jordan for a limited period of time, or as a final and lasting solution, without the establishment of an independent Palestinian state in the future? I mean separating the state of Jordan from the state of Palestine? As is well known, a confederation is a federation between two independent states.

[Prof. 'Ubayd] As you mentioned, brother Hani, a confederation is a federation between two independent states, which have the right to separate whenever they

disagree. Our insistence on establishing a Palestinian state is to give us the right to separate if coexistence with Jordan does not please us.

[Prof. al-'Ilmi] Commenting on Abu-Suhayl's statement, that the message of assurance sent to the PLO was that America would work to achieve the confederation, America is making this effort because it has no guaranteed result for this thesis. Khalid al-Hasan's statement that we need a state for five minutes and after that a confederation, is also contrary to fact. Its origins are clear because of the Palestinian people's will for their self-determination. No one is capable of taking away that right. The Palestinian people alone will determine their direction. With regard to the Palestinian state on the West Bank and Gaza Strip being incapable of solving their problem, because it cannot absorb the dispersed Palestinians, the day the Palestinian state is announced doesn't mean that all Palestinian people will return to this state. All nations have citizens in various regions. My comment on the idea that the confederation is a radical solution for the Palestinian people is—quite bluntly—that we cannot accept Jordan as a substitute nation, because our people have struggled to establish a state on all of Palestine's soil.

[AL-BAYADIR AL-SIYASI] Abu-Suhayl's thesis would give us to understand that he did not offer Jordan as a substitute nation, but as a confederation "between two independent nations," as he previously stated.

[Prof. al-'Ilmi] I understood from his statement that Jordan is blessed with more area and borders. I understand that it was proposed as a substitute for Palestinian territory; otherwise, there was no reason to talk about area and borders.

[Prof. 'Ubayd] This is an American viewpoint. America feels that Jordan is a vast country and could absorb a great many Palestinian people.

[AL-BAYADIR AL-SIYASI] Are you stressing this statement, Abu-Suhayl?

[Prof. 'Ubayd] The fact is, my brothers, that there is a possible right and an impossible right. Adherence to the possible right is what we are currently doing. As for adhering to the impossible right, that right was rejected by world public opinion, and even rejected by the Arab people. The actual right was the disappearance of the state of Israel from the region. Is this possible, brothers? If that were possible, why are we in this meeting? Why was the Madrid Conference held? We are talking about attaining our possible right. We cannot deny Israel's right to exist in the region. If it were denied, the entire world would oppose that. It is all the same to me when the parties opposed to the Madrid Conference go on in this vein, when opposition views say that Palestinian soil is unalienable Islamic property and that no party can determine its fate, while another part of the opposition says we shall establish our state on all of Palestine's soil. The meaning of this is clearly to destroy the Israeli entity. I think this logic will lose considerable credibility

for us, since we are now calling for peace. It will lose us the sympathy of the entire world, because the world deals with reality.

[Dr. al-Shawwa] I don't see any problem in creating a form of confederation with Jordan, or with any other Arab nation. We claim to speak from a national point of departure, in order to be a model on the path to Arab unity, for which we have called for many years. I think that this federation could be a special model for us to safeguard our identity as Palestinian people, and to strengthen the deep-rooted bonds between us and the Jordanian people, which are different from any ties with any other people, as proven by the fact of a Palestinian prime minister in Jordan, as well as many of the ministers, and the presence of the great majority of the Palestinian people in Jordan. It is in fact a distinguished relationship between two peoples, and we hope that it is a step toward Arab unity.

[AL-BAYADIR AL-SIYASI] Do you have anything to say to the Palestinian and Israeli negotiators in the next stage?

[Prof. 'Ubayd] I would like to say to the members of the Palestinian delegation: We put all our hopes and aspirations in your hands. We have absolute confidence in you. Safeguard this enormous trust; we are behind you. May God grant you success. Waste not a right which His people have not neglected; His reward is not limited to the two worlds.

I would tell the negotiators in the Israeli delegation that the majority of the Palestinian people are represented in their negotiating delegation. It carries sincere intentions to the Madrid Conference that transcend all the years of enmity. It will strive to reach a solution that will safeguard security and just peace for both parties. We hope that you are committed to the same position. The olive branches our children carry are proof of our position. The olive branches that bear the symbol of peace also, when dried, carry fire and conflagration. We hope that you do not frustrate the hopes of peace-loving people on both sides and in the entire world.

[Prof. al-'Ilmi] I would tell the Palestinian delegation that, no matter the differences in points of view, we are convinced that the hope for this delegation in our expectations represents the aspirations and desires of our people. Its path is our path, the path of freedom and independence. It is the only one that can end this confusion and frustration in which our people live inside the occupied territories and abroad. Let the sun of national unity shine again in order to achieve the desired goal.

To the Israeli side, I would say that our cause is just, and you will not find among us anyone who would give up our rights and our national existence, no matter the cost or how long it takes.

[Dr. al-Shawwa] I would tell our brothers in the Palestinian delegation that you bear an enormous trust, and we ask God to assist you. The eyes of the world are upon

you, and the eyes and hearts of your people are with you. The destiny of your people, who have suffered—and are suffering—for so long, is in your hands. Remember that you are Palestinians, and we have invariables. Adhere to them. We wish you success.

As for the Israeli side, I would tell them to remember the history of nations and empires. Every nation has a time of growth and ascension, and a time of collapse. You must apply this principle to America as well. You are logical people. You are in the center of power; the current balance cannot last forever. This is a golden opportunity that might not be repeated. If you remember God's promise to Abraham of a holy land, then remember also the children of Isma'il.

[Prof. 'Ubayd] Many thanks to Rashad al-Madani and Hani Abu-Zayd for this meeting. I hope that these meetings among intellectuals and those interested in the political aspect continue, so that the truth may be revealed to our people. I would say that this forum is a meeting among brothers who differ in some details, but we agree on the goal. God willing, in a short time, we will achieve national unity among all our people.

- **Professor 'Abd-al-Latif 'Ubayd (Abu Suhayl)**
- Born in al-Majdal in 1934;
- Graduated from the University of Cairo in 1962, specializing in Social Science
- Worked in the field of education, and still teaches at the International Relief Agency in Gaza;
- Arrested many times by the Israeli authorities;
- Participated in many local forums, with all political, educational, and social aspects;
- Knowledgeable about reform issues, and resolving conflicts and problems;
- Secretary of the Board of Directors of the College of Science and Technology
- **Dr. Nabil Rushdi al-Shawwa (Abu Rushdi)**
- Born in Gaza, 1954;
- Graduated from the College of Medicine, 1978;
- Member of the Medical Association;
- Specialized in bone surgery;
- Married with two children.
- **Professor Ayyad al-'Ilmi (Abu-Salah)**
- Born in 1964
- Graduated from the College of Law, Arab University of Beirut
- Member of the General Board of the Lawyers Union
- One of the active lawyers for Palestinian detainees

Advisory Committee Member Voices Skepticism on Talks

92AE0111A *Jerusalem AL-USBU' AL-JADID in Arabic*
15 Nov 91 pp 20-21

[Dr. Anis al-Qasim interview with Khalid Abu-'Akkar, date and place not given]

[Text] In an exclusive interview with AL-USBU' AL-JADID, Dr. Anis al-Qasim, member of the Advisory Committee of the Palestinian delegation in Madrid and international legal expert, said that "we have not yet

reached the real negotiating room, and it would be wrong to set citizens up with vast or rose-colored hopes.

He explained that the mission of the present delegation is not to sign agreements, but to negotiate over the transfer of authority in the occupied territories from the Israelis to the national authority of the Palestinian people. Palestinian groups at home and abroad are preparing, in this respect, scenarios for the manner of transferring that power.

[boxed item]

I.D. Card:

- Dr. Anis Fawzi Qasim, born in Qalqiliyah in 1939
- Editor in chief of the Palestinian Yearbook of International Law, published in English in Cyprus
- Doctorate in International Law, George Washington University
- Board Member, Trustees of the al-Haq Organization
- Lived in Kuwait from 1975 until the Iraqi invasion, now lives in 'Amman. [end box]

[Abu-'Akkar] Might you tell us about the nature of the Advisory Committee's activity?

[al-Qasim] The Advisory Committee includes representatives of the Palestinians of Jerusalem and the diaspora, and is an inseparable part of the negotiating delegation; but due to certain arrangements with the United States, it was given this name so that it would not be an official part of the negotiating delegation. The Advisory Committee has to offer technical services to the negotiating team, by virtue of the specialties of the persons comprising it. These services are varied—my own role is to offer legal advice.

[Abu-'Akkar] Did you offer this advice in the first phase of the conference, to the opening sessions?

[al-Qasim] I offered the legal services requested in that phase.

[Abu-'Akkar] How can the members of the delegation be in touch with you if they need to consult you during the negotiations, when you will not be in the same building in which the negotiations are underway?

[al-Qasim] There are several ways and means of reaching us—over the telephone, by fax or messengers, or in person, and by any other means we can develop during the negotiations.

[Abu-'Akkar] Does that mean that the delegation members can stop the negotiations to talk to you, or a member may leave to consult you?

[al-Qasim] There is that probability. It is possible to stop the negotiations to settle sensitive legal issues, bearing in mind that we are giving the delegation the legal basis of some of the problems that might come up, so that they can respond to them right away.

[Abu-'Akkar] It has been said that the United States violated an agreement that had been agreed upon,

relating to the presence of Advisory Committee members in the same place as the members of the negotiating delegation during the negotiating process. What is your comment on that?

[al-Qasim] There was no written agreement. There were certain arrangements that the Advisory Committee would be in a room adjacent to the negotiators' room. But the American delegation made it known that this arrangement was not clear and explicit, and was not binding upon the United States, one of the conference's sponsoring states.

[Abu-'Akkar] Do you think that the way of contacting the delegation during the negotiations is sufficient to offer effective advice to the members?

[al-Qasim] Of course, it is insufficient, and it makes for additional obstacles, in addition to the other obstacles the U.S. placed before the Palestinian delegation, preventing Palestinians from Jerusalem or the diaspora from joining the delegation. Despite that, we must now work in the circumstances that exist.

[Abu-'Akkar] Since the Advisory Committee includes Palestinians from Jerusalem and the territories, can it be said that they are indirect negotiators?

[al-Qasim] I think that seeking out formalities on this issue will lead us into useless labyrinths. The unity of the Palestinian people inside and outside of the occupied territories is a whole, cohesive unity. Even if every restriction were placed on Palestinians at home and abroad, as far as not having contact or lending a hand to help one another, it would certainly fail.

[Abu-'Akkar] But can it be considered that the Advisory Committee members are indirect negotiators for Israel?

[al-Qasim] Indirect participation, of course, but its benefit is present there at the negotiating table, and its efforts and proposals are available to the Palestinian delegation at the negotiating table. And this will go on, this process, as long as the negotiations go on.

[Abu-'Akkar] So, can it be said that you are steering the delegation with your advice and the vision you are putting into place?

[al-Qasim] No. We do not steer the delegation. We offer the services that we can offer, from the technical aspects. We must understand that the members of the Palestinian negotiating team do not have negotiating experience, in the technical sense, as a result of the restrictions imposed on us. They are people who enjoy qualifications and a high degree of loyalty, eminence, and intelligence. All we provide them with are mere technical services, which no negotiator is obliged to use.

[Abu-'Akkar] Do you think the delegation members' abilities are sufficient, given that they do not have negotiating experience, as you mentioned?

[al-Qasim] What the negotiating delegation has is absolute loyalty to its cause, and a solid and serious sense of

its people's suffering, in addition to educational qualifications. As I said, any negotiating team, whether our Palestinian team or any other one in the world, always requires certain specialized fields of expertise. We are offering these now to the Palestinian negotiating team.

[Abu-'Akkar] Is that sufficient, given the adversary's abilities?

[al-Qasim] We must work within the restrictions imposed upon us. It is not the most ideal situation; the ideal situation would be that there would be a Palestinian delegation with integrated fields of expertise, but we must act within the circumstances that exist.

[Abu-'Akkar] There have been attempts imposed on the Palestinian delegation to take away the role of the Palestine Liberation Organization [PLO], which the Palestinian people considers its sole legitimate representative. How do you view this?

[al-Qasim] I believe that our policy is public, and everyone, Israelis, Americans, and Russians alike, and all participants in the conference, know that the first and last presence is that of the PLO, without dwelling on the formalities that say, 'We are the PLO' Everyone knows that the PLO is present and prepared in all the negotiations.

[Abu-'Akkar] Those opposing the holding of the conference accuse members of the negotiating delegation of intending to sign a contract relinquishing Palestine. As you are an expert on international law, is it possible to consider what the delegation agrees to as binding on the Palestinian people?

[al-Qasim] The present negotiations will lead, in the end, to agreements. We are speaking of a long-range, not a short-term, end. What we can move towards now, what we are thinking of, as a negotiating team, is achieving at least the first phase, which is transferring authority from the Israelis to the Palestinian national authority in the occupied territories. This process does not require agreements or treaties.

[Abu-'Akkar] You have said that you do not have the authority to sign. Who, then, has the authority for that?

[al-Qasim] In the end, the national authority of the Palestinian people has the authority to sign.

[Abu-'Akkar] Does that mean the national authority in the entity that will exist?

[al-Qasim] I mean the national authority of the Palestinian people, the people wherever it exists, at home and scattered abroad. This is unvarying, reaffirmed in the letter of American guarantees, with the awareness of the unity of the Palestinian people at home and abroad, and in east Jerusalem, too.

[Abu-'Akkar] You are speaking of the process of transferring power. Have concepts for the nature of that process been set out?

[al-Qasim] Yes, we have set out these concepts, and they are now in their first round.

[Abu-'Akkar] Can you explain the nature of these concepts?

[al-Qasim] The process is in its first round, and I don't wish to speak of details of that kind.

[Abu-'Akkar] The time set for bilateral negotiations is approaching, and Palestinian preparations must be complete. You speak of primary concepts; why have you not completed preparations of the final concepts?

[al-Qasim] Preparations are underway to set out all concepts for means to transfer power from the occupier's hand to the hand of our people. There are studies prepared, and still being revised and corrected, and setting out of concepts and alternatives. But when the negotiations happen, we will be ready for them.

[Abu-'Akkar] Who drew up the primary concepts and studies? Did you do that, or a group of Palestinians here and abroad?

[al-Qasim] The concepts were drawn up by groups of Palestinians here and abroad, and concepts were drawn up following real-world experiences, including the negotiations at Camp David on autonomy between the Egyptians and Israelis, which is one of the models. We are now revising [these concepts] according to the demands of the new phase.

[Abu-'Akkar] Even mere talk of transferring power gives Palestinians the hope that the end of the occupation is near. Are you that optimistic?

[al-Qasim] I am not pessimistic, and we must be realistic. The occupying power is a settlement power with a long history of maneuvering. We must be very patient as we negotiate with this adversary, without raising the hopes of the Palestinian people, whether at home or abroad, that the occupation will end overnight. It would be a mistake to give citizens vast and rose-colored hopes at a time when we have not yet crossed the threshold of the real negotiating chamber.

Sa'ib 'Urayqat Defines Role Among Palestinians
92AE0126A Tel Aviv YEDI'OT AHARONOT in Hebrew
2 Dec 91 p 23

[Article by Roni Shaked: "I Know I Angered Shamir"]

[Text] The "naughty boy" of Madrid, Dr. Sa'ib 'Urayqat, had tried even before the Madrid conference to shout, "We are all PLO." That angered Shamir, who unsuccessfully tried to bar him from the talks. 'Arafat reportedly reprimanded him and ordered him to hold his tongue. In Madrid he draped a black-dotted kufiyah—the symbol of the PLO and the Fatah—around his shoulders, thus once again managing to shake Shamir out of his cool.

On 4 December Elyaqim Rubinstein will find him seated on the other side of the negotiations table. And just so no one entertains any illusions, let it be said that Elyaqim Rubinstein and the Israeli team will be negotiating with Palestinians who are pure PLO.

I asked Dr. Sa'ib 'Urayqat why he wore the kufiyah at the conference. He got angry: "Why does anyone not question Ely Rubinstein about the skullcap on his head? And why did anyone not say anything to Prince Bandar about the kufiyah on his head? Did anyone set any conditions about apparel?"

"When I sat across from Shamir, who does not recognize the Palestinians and ignores their existence, I put on the kufiyah under his very eyes in order to force him to open up his eyes and stop daydreaming. I wanted to tell him that I was sitting across from him at the negotiations table on behalf of the six million Palestinians living in the territories and throughout the world. It is the symbol of Palestinian nationalism. But I know that Shamir got angry. I could sense in his look that in his mind he was going over 60 years of history and political thought. By sitting across from us he knows that his political philosophy is dying."

Until now he preferred to make his big statements to CNN or the Arab press. At the meeting with me he chose his words carefully and announced from the outset that he was not going to talk about the PLO, in order to prevent another "glitch" like the one he had before the trip to Madrid.

By the way, he has almost never been inside the Green Line. Neither does he have any Israeli friends. "I go through Israel only when I have to, on my way to Ben-Gurion Airport."

Dr. Sa'ib 'Urayqat is the youngest member of the Palestinian delegation. He is only 36, but he has respectable academic achievements behind him. He has published eight books dealing especially with international crises. In his own field of political science he has published 22 studies on topics related to the Palestinians and the Arab world.

He began his studies at the University of San Francisco. He won his Ph.D. in London. Upon returning to the country he went to work for the al-Najjah University in Nabulus, where he is viewed as a popular lecturer. Now he has a one-year sabbatical. Like all his colleagues in the delegation, he was given leave of absence from his job to make himself available for political action. "I like teaching and research, and I hope to return to the academic world," he said. By the way, he had been recommended to head the delegation before Dr. Haydar 'Abd-al-Shaffi was appointed to the job.

He is viewed as a senior member of the Palestinian team. At most of the meetings conducted by the Palestinians in preparation for the Washington talks he steered the discussions and took the lead. Two weeks ago he was in Jordan, where he met with Prince Hassan and the Jordanian Government leadership, with whom he coordinated positions and tactics for the negotiations.

Dr. Sa'ib 'Urayqat refused to disclose the tactics that the Palestinians will employ in the course of the negotiations. "We are not setting conditions. We have proposals, ideas, and demands." To the question whether

the Palestinians have finished preparing the working papers for the bilateral talks, he answered evasively: "When Elyaqim Rubinstein is back from Washington, ask him whether we were prepared," he said with a broad smile. He is eagerly looking forward to the duel of wits with Rubinstein and his colleagues.

"The Palestinian organization in Madrid was swift. We wrote our first release to the press in long hand. Twelve hours later we came out with a printed release in eight languages," Dr. Urayqat said. "We are ready for bilateral talks. Do not worry about us. At the moment I am wracking my brains to decode the tactics that the Israelis will use at the negotiations table."

[Shaqed] Did you come back from Madrid more optimistic?

[Sa'ib 'Urayqat] Madrid was the first inch on a 100 mile road at the end of which lies the solution. Only a small window was opened there. We are facing perhaps the toughest negotiations in history. I know that the road will be long. After all, we are familiar with Shamir's policies. We will have to travel the world, but in the end we shall succeed. The countries that are participating in the process came to Madrid to look after their own interests. We, the Palestinians, were the only ones who came to make peace. Shamir came to Madrid because he could not say no to the Americans.

[Shaqed] And you already see the end of the process?

[Sa'ib 'Urayqat] I want to wake up tomorrow morning in a Palestinian state, but my daily life in the territories tells me that that is still far off. Shamir does not want to give anything. Since the Madrid conference the treatment of Palestinians in the territories has become even worse. Instead of preparing the ground with confidence-building steps, Shamir is destroying every foundation for trust. He has no intention of making peace. He has still not grasped the changes that occurred in the world in the past year, and he does not understand that Madrid is the point that will change the map of the Middle East, just like the Versailles conference after World War I or the Yalta conference after World War II. I know that the political line that Shamir is pursuing is dying. That is why I am going to the negotiations."

[Shaqed] For what kind of agreement do you aspire?

[Sa'ib 'Urayqat] The autonomy you discussed with Egypt until 1982 is not the independent administration to which we aspire. It is not a matter of transferring administrative prerogatives into Arab hands, but of transferring authority and preparing for the implementation of Resolution 242, i.e., for Israeli withdrawal from the territories. Today we are talking about control of the land. How can I stand unless my feet are on the ground? In any case, on 4 November 1992, one year after the convening of the peace conference, Israel will have to begin to transfer self-rule into our hands. I hope that will happen even before then."

[Shaqed] Whom do you represent?

Dr. Sa'ib 'Urayqat has learned his lesson. He tries to give a cautious, "correct" answer without mentioning the name of the PLO: "I do not represent only the residents of the territories. All the Palestinians view me as being in charge of their fate, whether it is Palestinians in Syria, Bahrain, Lebanon, or Nicaragua. That is how I feel."

Results of Demographics Study in Gaza

92AE0111A Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 16 Nov 91 pp 45-47

[Text] It may be said, in general, that demographic changes in any country of the world must affect its process of economic development, though it is necessary to define the nature and direction of that effect. Some economists say that rapid population growth was and still is the major obstacle to economic growth in many countries of the world, among them, of course, the Arab countries. Other authorities and decision makers believe that population is an economic source that must be completely and wholly exploited, and that the failure to take advantage of it—not the population factor in and of itself—is the true obstacle to development.

Thus a chief socio-economic goal must be to create new job opportunities, rather than to limit population growth.

As human capital, population is an important factor in the process of economic growth, though exploiting it efficiently depends upon the particular country's capacity to use it integrally with other economic resources, which are not easy to increase.

For this reason, population mass vis-a-vis available resources, "whether local or imported," can delimit population averages for savings and investment, capital types and allocation, and the economy's power to achieve and support an acceptable standard of living for the great majority of people. If the country has no other economic resources, then there is no choice but to limit population growth to balance population mass and available resources.

Since the Arab-Israeli war of 1948, Gaza has undergone a surprisingly sharp increase in population, after the waves of Palestinian emigration from the country and the territories over which Israel gained control before its establishment and the bloody actions carried out by some of its people against native Palestinians, which drove them to flee to safer and more stable areas. The only Palestinian soil they had were the territories of the Gaza Strip and West Bank, and more than 200,000 refugees came to the Gaza Strip, whose population before that war numbered no more than 80,000.

Demographic Developments, Concepts

1. Population in the Gaza Strip

The term "population" embraces all individuals of all ages, of the Gaza Strip, whether they were outside it for whatever reason, or residing there, and they will be known as the population base.

The rate of population growth is defined by the difference between the annual birth and death rates, together with net emigration.

The Gaza Strip remained part of the southern district of Palestine until 1948, then divided into two parts: the subdistrict of Beersheba and the subdistrict of Gaza. The population of this district was about 21 percent of Palestine's total population. Gaza's population was about 303,500, or about 13 percent of the total, while Beersheba's was about 178,513, or about 8 percent.

Before 1948, there were about 80,000 people in what makes up the Gaza Strip. No sooner had the war begun than waves of refugees began to arrive, and by the end of the war there were more than 200,000 refugees, making the area one of the most crowded.

This increase in population density had extremely momentous effects on the general future of the Palestinian national economy.

The first effect related to income. The population increase was not matched by economic development, nor any growth or improvement in the use of resources. Thus, this increase was a heavy burden on the development program in the Gaza Strip.

The second effect was related to agriculture. Population density put extreme pressure on economic resources in general, and agricultural resources in particular.

The third effect: the growth in population density had an effect on demographic conditions in Gaza, leading to an increased number of children under 15. This created further practical burdens on the process of economic development.

The Gaza Strip was affected by the comprehensive policy enacted by the Egyptian Government after 1948, especially after the July revolution. Gaza was a region distinct from Egypt, yet at the same time, not independent. The Egyptian Government gave special importance to this region with regard to development and service, except for industry and land reform, so stability and an atmosphere of security and economic resurgence (particularly a flourishing of trade) prevailed throughout the area.

These relatively solid conditions led to an unprecedented population increase: the natural growth rate of the population reached an approximate 2.7 percent annually.

When we consult Table 1, we see that the total population in 1953, for example, was approximately 306,272, of which 97,078 were citizens "resident in the area before the 1948 war"—31 percent of Gaza's total population.

Table 1: Demographic Conditions in Gaza Strip, 1948-1966

Year	Population			Rate of Population Growth		
	Citizens	Refugees	Total	Citizens	Refugees	Total
1950	88,520	199,587	288,107	—	—	—
1953	97,078	209,194	306,272	4%	2%	2.3%
1956	108,738	227,317	342,360	6%	5.1%	7.5%
1958	115,605	241,921	357,526	3%	3.4%	3.3%
1960	118,750	255,542	374,292	2.8%	2.5%	1.9%
1966	144,355	310,645	455,000	3.2%	3.2%	3.2%

In 1958, this approximate total had reached 357,526, of which 115,605 were citizens (32 percent) and about 241,921 refugees (67 percent). In 1960, this total had become 374,292, of which about 68 percent were refugees (about 255,542). About 32 percent were citizens, with numbers estimated at 118,750.

After Israel occupied the West Bank and the Gaza Strip in June 1967, Israeli authorities took the first official census in September 1967. This census showed that the total population of the Gaza Strip was approximately 354,400. We note the decrease of total population that year from the previous year, 1966, which had been approximately 454,000.

The difference between the two counts shows that there was a wave of mass emigration abroad directly following the war.

Rates of population growth fluctuated in this period between 2.5 and 3.5 percent annually.

When we look at Table 2, we see that the total population of the Gaza Strip in 1967 was approximately 389,700, and 362,200 in 1969. We also note continued waves of emigration up to this year, which explains the constant decrease in population.

Table 2: Demographic Conditions in the Gaza Strip, 1967-1990

Year	Population	Growth Rate
1967	389,700	6.3%
1970	377,140	3.3%
1971	389,798	3.5%
1975	452,558	3.3%
1977	482,895	3.4%
1980	532,438	3.1%

Table 2: Demographic Conditions in the Gaza Strip, 1967-1990 (Continued)

Year	Population	Growth Rate
1982	566,576	3.4%
1985	629,988	3.5%
1987	676,106	3.5%
1988	700,241	3.4%
1989	724,956	3.4%
1990	750,473	3.4%

We notice that in the early 1970s, the population, according to Israel's vital statistics for 1971, was 381,800. In 1975, the population had reached 418,500, while by the end of the 1970s and 1981 it was 451,600. In 1990, the number is 750,473.

2. Population Density

The measure of population density is used to express the extent of a country's population overcrowding. The rate is attained by calculating the average number of individuals who live in a certain unit of space, such as a square mile or square kilometer.

Population distribution varies in regions from one unit to the other, as they may be concentrated in one area rather than another, seeking water, agriculture, fertile land and rainfall. So working with this measure pertains to the total area—it does not actually give a degree of population overcrowding, so it is worth distinguishing between population density in the total area, and population density with regard to populated areas only.

Population density in the district of Gaza until 1948 was approximately 220 persons per square km. The province's population of 303,500 was spread over a total area of 13,688,501 dunams, or about 13,688 square km.

After 1948, Israel gained control of most of the area, except for 2.5 percent, which was the present-day Gaza Strip. Its population was no more than 280,000 spread over the remaining area of about 360,000 km, or 360 square km [as published] with a population density of about 1,100 persons per square km.

The Gaza Strip's population density grew slowly after occupation, because emigration abroad worked to ease the rate of population growth.

The beginning of the seventies, however, saw another change, as the Gaza Strip was affected by the period of calm following the Palestinian resistance against the occupation. This relative calm, linked to the exodus of the resistance from Jordan, was exploited by the occupiers, who began to step up settlement activity in Gazan territory, which meant that Palestinians lost even more agricultural areas and land, so that population density again rose remarkably.

For example, population density in 1967 (389,700 in 360 square km) was approximately 1,000 people per square

km, but in 1971 the rate rose to 1,120 persons; in 1975 to 1,200; in 1980 to 1,350; and in 1984, population density reached 1,500.

These measures of population density in the Gaza Strip, however, are not considered exact, because they do not take into account the land areas confiscated for settlement purposes, and territories subjected to the uses of agencies of the military rule, such as army camps and various offices and buildings. So, one Israeli economist, Myron Benvenisti, estimates Gaza's population density in 1986 at approximately 2,100 to 2,200 persons per square km of Gaza's territory, according to the following distribution:

Table 3: Land Use in the Gaza Strip

Roads and Buildings	41,000 dunams
Citrus	66,700 dunams
Fruit Cultivation	60,000 dunams
Vegetables, Other Crops	57,000 dunams
Private Fallow Land	8,000 dunams
Government Lands	40,000 dunams
Sand Hill Areas (Governmental)	77,000 dunams
Other Land	10,000 dunams
Total	360,000 dunams

If we take into account settlement areas and government lands, which add up to 120,000 dunams, the Arab-held area of the Gaza Strip is only about 240,000 dunams. If the 1984 population of 485,900 was distributed on this area, population density would exceed 2,000 persons for every square km.

3. Phenomenon of Population Migration

The phenomenon of migration abroad from the West Bank and Gaza Strip goes back to the 1940s and early 1950s. This era ran from 1948 until 1967.

In 1948, directly after the war, heightened waves of Palestinian refugees arrived in Gaza. There were about 200,000 of them, in addition to the original native population, who numbered 80,000.

Despite the overcrowding and population density caused by the new migration to Gaza and the accompanying separation of the overwhelming majority of Palestinians from the sources of production and the national economy, the Egyptian authorities took several measures to prevent a re-migration of Palestinians outside Gaza to find work. This meant a reduction in the volume of this migration, or rather its containment inside very narrow borders, and so its volume remained less than the West Bank's.

In the aftermath of the 1967 war, the total population of the Gaza Strip began to decrease, and negative development and population growth rates appeared. These rates were about 2.3 to 4.3 percent annually for two years straight, 1969 and 1970. It is well known that negative population growth rates occur only in two instances: if

death rates exceed birth rates; if the factor of migration abroad is present and population declines.

According to Table 2, we note that Gaza's population declined from 385,300 in 1968 to 368,800 in 1969, and to 360,400 in 1970.

Some studies on the volume of migration in the Gaza Strip mention that the number of those migrating, from after the 1967 war until the end of that same year, was 3,100 persons, or about 8 percent of the Gaza Strip's population.

This source goes on to say that the volume of migration for the period from September 1967 to the close of 1985 was 101,200 persons, in addition to about 8,000 who emigrated during the war, to reach a total of emigrants from the Gaza Strip during the occupation to about 119,200. Thus, the Gaza Strip lost about 18.5 percent of its total population by the end of 1985.

The above makes clear that migration rates in the Gaza Strip, in the years following the occupation, are about nine per thousand, for an average between 11.2 and 6.2 [percent].

There are certain special properties to migration from the Gaza Strip, most importantly:

1. Youth migration, which means that most of the emigrants are males of the younger generation, 21 to 35 years of age. Thus, we see that most family members living abroad are 80 percent males and 18.8 percent females. According to age group, 58.18 percent of emigrants are 21 to 35 years of age, and 33.64 percent of those emigrants are 39 to 50 years of age.

Table 4: Net Emigration From Gaza

Year	Emigrants	Rate per 1,000
1967	12,200	32.0
1969	2,900	8.0
1971	2,400	6.3
1972	4,000	10.3
1973	1,700	4.2
1975	3,500	8.2
1977	2,900	6.4
1978	4,700	6.2
1979	4,800	10.8
1981	5,300	11.3
1983	1,000	2.0
1984	4,800	9.4
1985	2,900	5.5

ISRAEL

New Undercover Units in Territories

92AE0127B Tel Aviv BAMAHAHE in Hebrew
13 Nov 91 p 11

[Article by Yanky Galanty: "New Undercover Units Will Operate in the Territories"]

[Text] [BAMAHAHE] Major General of the Southern Command, Matan Vilnay, what are the advantages and disadvantages of permanent and rotating forces in the Gaza Strip?

[Vilnay] The advantages of a permanent force are clear, but at a certain time these advantages become disadvantages. We are operating with a mixture of permanent and rotating forces in the same grid cell and with a mixture of reserve and regular forces. The combination of the maturity of the reserve forces with the agility of the regular forces, the acquaintance with the area of the regulars with the judgment of the reservists—it is very important. It is unthinkable that there be a situation in which the Gaza Strip is held only by regular forces, as the intifadah is a problem to which the entire people of Israel is a party, and, therefore, in the appropriate proportion, soldiers of reserve units must also participate in the activity.

Each time we pay again the price for the entry of a force into the area. That force buys an "entry ticket" that costs us some or another event or mishap. Whoever comes back a second or a third time will pay a lower price than one who comes for the first time, and who must pay a high price, generally in the form of local casualties. We are grappling with the problem, and are making up for it with the aid of the regular headquarters that are located permanently in the field and which receive the new units and introduce them into activity.

[BAMAHAHE] Could you make a comparison between the ability that the IDF demonstrates and that of the Border Police?

[Vilnay] The IDF versus the Border Police means a regular force as opposed to a rotating force. A regular unit comes for only three months. The advantage of the Border Police is expressed in the acquaintance with the field. One must know how to get out of the Border Police forces the advantages, and at the same time to have control over their disadvantages. At the moment, we are engaged in introducing an additional Border Police company into service in Rafiah.

[BAMAHAHE] Is there a difference in outlook also between the younger and the older soldiers that results in different functioning during operational activity in the Gaza Strip?

[Vilnay] Experience proves that whoever arrives in Gaza with a certain opinion from the gamut of opinions in the political spectrum, only becomes confirmed in his opinion. The older ones have, in my opinion, an advantage in the broad understanding of the matter. The regular soldier regards Gaza as a problem that he must resolve and end. That is good education, but not for service in the Gaza Strip. In contrast, the reservist has greater experience and maturity, and he is capable of understanding the broad considerations. The young soldiers are "hot-blooded," but after a few weeks, they, too, understand the logic of the orders. The issue of maturity is a vital one for handling the intifadah.

[BAMAHAHE] The trend today is to introduce capable officers into Gaza. In your opinion, can a person who is an elite infantry officer serve as an example also as a commander of forces in the Gaza Strip?

[Vilnay] He must. If not, then he is not a good commander. A good officer can range from an ordnance officer to a company commander. A good officer knows how to do everything. The integration of capable officers in senior positions in Gaza is proving itself, and in its wake our operations in the field are improving significantly.

[BAMAHANE] Should consideration be given to the opening of another track in the IDF that would prepare manpower solely for operations in the territories, along the lines of the French force that was established to handle disturbances?

[Vilnay] No. At the same time, service in the intifadah must be introduced as a subject into the training courses, and we are now engaged in this with the Ground Forces Command. The intifadah exists, and it requires unique activity, but it is impossible to prepare officers who would be only officers for the territories. The IDF is not an army that is meant to stay in the territories, and it has a range of other tasks. The IDF is a small army, and it is not built like the armies in other states that have forces that are intended for one defined goal. We do not have that luxury. Each of our units engages in a wide range of subjects, and the officers must be the same.

[BAMAHANE] Would you prefer that there would be those who, due to their political opinions, would not serve in the territories, mainly in light of the fact that the army has proven, at least as regards the son of Rabbi Kahane, that extreme opinions can lead to release from service?

[Vilnay] The army does not ask the soldier what his opinion is, and does not take it into consideration. In my conversation with a reserve company, a certain soldier got up and said: "I do not understand what I am doing here. We have to leave the Gaza Strip." Immediately afterwards, a second soldier got up and said: "We have to stick it to all these kids, so that they will not dare lift a stone." Afterwards, a third soldier got up and said: "I do not know what they are bothering us about. I am their commander, and they do exactly as I tell them." That is the IDF, and all the opinions appear in one jeep. The IDF authority appears in the form of the third soldier.

Officer Claims Fatah Behind Most Intifadah Attacks

92AE0127A Tel Aviv BAMAHAANE in Hebrew
20 Nov 91 p 11

[Article by Yuval Natan and Yanki Galanti: "Most of the Attacks in the Territories Are Carried Out by the Fatah"]

[Text] "The Fatah organization is responsible for most of the attacks that are carried out today in the territories," says Brigadier General M., the advisor to the C.O.S. [Chief of Staff] on intifadah affairs. "All the talk that, following the peace process, the Fatah has ceased to carry out attacks, is simply incorrect," says Brig. Gen. M. "It is all a fairy tale of the press."

[BAMAHANE] Has the quality of the Fatah changed since the Madrid Conference?

[M.] The quality of the attacks has remained more or less as it was. There is no increase in the number of incidents, but there is an increase in the number of attacks against Israeli entities, while there is a decline [in the number of attacks] against internal targets. I agree with the assumption that the political process will intensify the motivation for terrorist activity, whether the process succeeds or fails.

[BAMAHANE] You are saying that the level of violence has not decreased. If that is the case, what do the olive branch demonstrations indicate?

[M.] The olive branch demonstrations are no more than a media gimmick, which lasted for a short time. The olive branches were only in places where the media were, and they continued to throw stones in the other places. Everything was organized by the Fatah simply for propaganda purposes.

[BAMAHANE] Were special orders given for handling this kind of demonstration?

[M.] There were briefings, and it was decided that in most of the cases there was no point in dispersing such demonstrations, if they are not violent, because, as was mentioned, this is just a media gimmick, and dispersal by the army would play into the hands of the organizers of the demonstrations.

[BAMAHANE] Was the talk of establishing a municipal council for the city of Gaza another stage on the road to autonomy?

[M.] There has long been cooperation between the residents and the military government, and this is another step for the convenience of the residents that is unrelated to autonomy. There had been a Gaza municipality, but today every move for the convenience of the residents is interpreted as preparation for autonomy, and not as another gesture of accommodation to the residents. Also, one should not take so seriously the fact that persons identified with the Hamas and persons identified with the Fatah will sit together in the municipality. After all, they will discuss such subjects as the removal of trash from the refugee camps, and nothing more.

[BAMAHANE] Does the cooperation between the Hamas and the Popular Front during the Madrid Conference indicate a new map of the terrorist organizations that operate in the territories?

[M.] By no means. This is no more than a tactical and unholy alliance between terrorist organizations with extremely different ideologies. It was an ad hoc connection against the background of the peace issue, which is controversial in the Palestinian street. There had already been things like this, and it does not mean that the members of the Popular Front will begin to pray seven times a day towards Mecca.

[BAMAHANE] Are the IDF's [Israel Defense Forces'] special operations in the territories proving themselves in the struggle against the various terrorist units?

[M.] The special operations have an influence that is evaluated over time. The atmosphere that the gangs represent is hated by most of the public. They institute a reign of fear and violence, and encumber various spheres of life, such as departure for work and the closing of shops.

The advantage of Arab-guise activity is that it distinguishes between those who operate against us and those who do not, and in that way decreases the motivation to hostile activities. The motto is that it will be good for the just one and bad for the evil one.

If a wanted person, such as **Mahdi Abu el-Hassan** is killed while armed, people will know that it is possible to liquidate anyone, in any way, which creates deterrence. Substitutes indeed always arise, but it takes them time to enter the shoes of the wanted persons who were apprehended or hit, and this interferes with the activity of the gang.

We are always speaking about an organization with leaders, but the subject is in fact a small hard core, to which all kinds of persons attach themselves. In most cases, there is no connection at all between what are called "the members of the Black Panther gang." This is a name that they invented, and the media love to use it in order to dramatize things.

[BAMAHANE] Following the success of the special operations, is there an intention to increase significantly the number of units that operate in this sphere?

[M.] Today, in Gaza, for example, tens of Arab-guise units are operating. Our army's advantage is that it has good human material, and it is possible to impart to every soldier who comes to the territories various skills that allow the implementation of special operations. Divisional scout groups, and also part of the regular forces, the armored infantry, and others that are not essentially special forces, go through Arab-guise training.

Lebanese Abductions Signal Further Activity Possible

TA2212161791 Tel Aviv HA'ARETZ
in Hebrew 22 Dec 91 p 1

[Analysis by Ze'ev Schiff]

[Text] The abduction of the Lebanese civilians at the end of last weekend by an Israeli military raid, and transferring them to Israel for a short interrogation, can be seen as a signal, that if IAF [Israel Air Force] navigator Ron 'Arad will not be released like the other hostages, not only will Shaykh 'Abd-al-Karim 'Ubayd remain in his prison cell, but it is conceivable that individuals who are connected to the Islamic fundamentalist establishment will join him.

This operation is also a message for all those who pressured Israel to release Shaykh 'Ubayd and Shiite prisoners from Lebanon, so that hostages from their

countries would be freed. From the moment they secured the release of their own hostages, these political elements have kept silent and ignore the Israeli prisoners. The message is that in the situation which has been created, they have no right to preach morality to Israel—if it chooses other means to apply pressure. It is known that Israel released about 100 prisoners from al-Khiyam that were in the hands of the SLA [South Lebanese Army]. Their release assisted the U.N. Secretary General, Perez De Cuellar, in bringing about the release of the hostages. In exchange for these prisoners, Israel received information about two of its soldiers that fell into Hizballah's hands, that they are not alive, and it seems that at least one of them was murdered at the hands of his captors.

The timing of this activity is related to the fact that U.N. Secretary General De Cuellar is finishing his role in less than two weeks, and it is very doubtful if he will complete the assignment in bringing about the release of the Israeli prisoners.

Inheriting his role is the former Egyptian Deputy Prime Minister Butrus Ghali, who is already giving advice to Israel in the last few days, even before taking on his duties: "Release more Lebanese prisoners," he said in an interview. Israel is ready to exchange prisoners, but if the new secretary general thinks that he will pressure Israel instead of pressuring those that are holding 'Arad and who held other hostages, he is mistaken. Again the estimate in Israel is forming that a hostage exchange proposal is not enough and that additional pressure must be used. In the past, when a similar estimate was formed, Shaykh 'Ubayd was abducted and brought to Israel.

Another signal is that it is not complicated, from an operational point of view, to send special forces deep into Lebanon and to capture senior elements who are close to Hizballah and to the Iranian Revolutionary Guard, numbering approximately 1,000 people in Lebanon. Israel can refill the al-Khiyam prison. It is clear that specific elements in Iran are tied to the abduction of the hostages as well as to the continued imprisonment of Captain 'Arad.

Economic Forecast for New Year

TA3012144391 Jerusalem MABAT
in Hebrew 30 Dec 91 p 8

[Text] In 1992, a lower growth in production is expected, inflation will drop, and unemployment will rise. This has become apparent from the economic forecast formulated by the Federation of Israel Chambers of Commerce economists.

From the forecast, it is apparent that in the area of inflation a certain decrease to a level of 15 percent is expected, based on a realistic decrease in apartment prices, and the government's prevention of price increases to be initiated in an election year.

Furthermore, the forecast suggests that in the year 1992, a somewhat lower rate of production growth is expected in comparison to the previous year. The economists

foresee that the increase in local GNP will amount to 4.3 percent, compared to 5.2 percent in 1991.

The lower growth in production is based on the estimation that the number of immigrants that will arrive in 1992 will amount to between 100,000 to 130,000 people. This is with the assumption that there will be no mass unemployment in the USSR, as a result of essential decline in the economic situation.

Private consumption will increase at a rate of 6 percent. This rate is somewhat higher than the population growth. In public consumption there is no security; a 3.2 percent increase is foreseen against the background of continued government expenditures in the areas of immigrant absorption and the difficulty of budget curbing in the election year.

Expansion is expected in the area of foreign trade activities. Export will rise by 3 percent, and the source of growth is in services alone. Imports will rise at a rate of 7.6 percent.

Investments will expand this year at a further rate of 11.3 percent.

Figures on Balance of Foreign Debt

TA3112144991 Jerusalem MABAT
in Hebrew 31 Dec 91 p 8

[Text] Data on Israel's foreign debt, released yesterday by the Bank of Israel's Supervisor of Foreign Currency, reveals that at the end of September of this year, the balance of Israel's foreign debts amounted to approximately 24 million dollars, a decrease of 350 million dollars, as compared to the end of last year.

The decrease stems mainly from the strengthening of the dollar in the world during the first nine months and estimation of the non-dollar debts as a result of this.

In the first three quarters of the year, the government mobilized 400 million dollars worth of tradeable bonds guaranteed by the U.S. Government based on 'aliya absorption needs.

JORDAN

Text of Government's 1992 Budget

92AE0134A Amman AL-DUSTUR in Arabic
20 Nov 91 p 12

[Article: "Council of Ministers Approves State's 1992 Draft General Budget; Revenues Are 1.163 Billion, Expenditures 1.278 Billion, Deficit 107 Million Dinars; Deficit Expected To Be Covered by Surplus in Expenditures, Improved Revenues, Expected Loans"]

[Text] Amman, AL-DUSTUR—Yesterday evening, the Council of Ministers met under the chairmanship of Prime Minister Tahir al-Masri and approved the state's 1992 draft general budget.

Revenues have been estimated at 1.163 billion Jordanian dinars and government expenditures for the fiscal

year ending on 31 December 1992 at 1.270111 billion dinars, with a deficit of 107.111 million dinars.

The deficit and the installment payments for domestic and foreign loans, estimated at 171 million dinars, will be covered from surplus in the expenditures, improved revenues, and domestic and foreign loans estimated at 278.111 million dinars.

Following is the draft general budget for fiscal year 1992:

Article 1. This law shall be called the "General Budget Law for Fiscal Year 1992" and shall go into effect as of 1 January 1992.

Article 2. Government revenues and expenditures for the 12 months ending on 31 December 1992 are estimated as follows:

A. Revenues: 1.163 billion dinars.

B. Expenditures: 1.270111 billion dinars.

Article 3. The deficit, amounting to 107.111 million dinars, shall be covered; and domestic and foreign loan payments, amounting to 171 million dinars, shall be made from the surplus in expenditures, from improved revenues, and from domestic and foreign loans estimated at 278.111 million dinars.

Article 4A. Technical grants and development loans concluded to finance specific projects shall be appropriated to be spent on the implementation of these projects.

4B. By decree of the Council of Ministers, a part of Arab aid shall be appropriated to cover the non-current expenditures of the Jordanian Armed Forces and shall be deposited in the fund established for this purpose.

4C. If the grants expected to bolster the treasury do not materialize, foreign borrowing may be increased to a degree covering the resulting shortfall.

Article 5. While observing the provisions of Article 4 of this law:

5A. Disbursement from the appropriations allocated in this law shall be made in accordance with general or special financial instructions and according to monthly drafts approved by the general director of the General Budget Department.

5B. Drafts may be issued for more than one month's appropriations for current or capital expenditures if there are special reasons to exceed a single month's appropriations.

5C. If work for which appropriations are made in a section slotted for a certain ministry or department is assigned to another ministry or department to implement, the authority to disburse from the appropriations included in the approved money draft may be transferred to the disbursement officer in the second ministry or department with the approval of the finance minister/general budget.

5D. The appropriations included in drafts may not be used for other than designated purposes, and the appropriations specified in these drafts may not be exceeded.

5E. No commitment may be made to any sum exceeding the appropriations in the fiscal decrees and no bid for any project costing more than what is appropriated for it may be invited, unless under the approval of the Council of Ministers and on the recommendation of the finance minister/general budget.

5F. Public institutions and companies whose projects are included with the projects financed by foreign loans shall shoulder the domestic cost of these projects from their own revenues, unless the appropriations needed for this cost are allocated in this law.

Article 6A. Disbursement from the appropriations for refugee aid, allocated in Section 41A, Schedule D, Paragraph 1, shall be made by decree of the Council of Ministers on the recommendation of the finance minister/general budget and by the foreign minister/Palestinian Affairs Department.

6B. Disbursement from the appropriations for emergency expenditures, allocated in Section 41A, Schedule D, Paragraph 2, shall be made by decree of the Council of Ministers on the recommendation of the finance minister/general budget.

Article 7. Appropriations may not be transferred from section to section, unless by law.

Article 8A. Appropriations may be transferred from current expenditures articles to capital expenditure articles in the same section by decree of the Council of Ministers at the recommendation of the finance minister/general budget. No transfers may be made in the opposite direction.

8B. Appropriations may not be shifted from the salaries, wages, and allowances included in Group 100 to any other group, or vice versa.

8C. Appropriations may not be transferred to Articles 113, 114, 115, 116, and 117, included in Group 100 in the current expenditures sections. Transfers may be made between these articles.

8D. While observing the provisions of Paragraphs A, B, and C of this article, appropriations may be transferred from one schedule to another, from article to article, or from one provision to another within the same section with the approval of the finance minister/general budget. The National Assembly shall be excluded.

Article 9A. Appointments may not be made against the appropriations for worker wages, allocated in Article 104 of Group 100 in the current expenditures sections.

9B. No employees covered by the civil service system in force may be appointed against the appropriations allocated to implement capital projects, unless with the written approval of the prime minister and on the recommendation of the finance minister/general budget.

9C. The work of employees appointed against appropriations for capital projects shall be terminated when such projects are ended or their appropriations are exhausted.

Article 10. Regardless of what is stipulated by any other law or statute, job structures for the ministries, government departments, and institutions for which appropriations are allocated in Group 100 or in any current expenditures section in this law shall be determined in accordance with a special regulation that sets the number of classified, unclassified, and contract jobs; their titles; and their grades or salaries. Excluded from this provision shall be the jobs in government institutions that have special regulations covering their employees, diplomatic corps jobs, and local jobs in Jordanian embassies and consulates abroad. These institutions' job structures shall be determined in accordance with the special regulations governing them.

Article 11. The revenue and expenditure tables attached to this law shall be considered an indivisible part of the law.

Article 12. The prime minister and the ministers shall be entrusted to implement this law. The General Budget Department shall observe and follow up on implementation of the projects included in this law without undermining the powers entrusted to other official agencies.

Total Revenues and Estimated Financing for Fiscal Year 1992

Domestic Revenues

Taxes on income and profits, 104 million dinars; customs taxes, 244 million dinars; other taxes, 70 million dinars; licenses, 48 millions; post, telegraph, and telephone, 89 millions; royalties and profits, 47 millions; fees, 78 million dinars; recovered interest, 20 million dinars; miscellaneous revenues, 132 million dinars. Total domestic revenues are 832 Million Dinars

Financial grants, 275 million dinars; recovered loans, 50 millions; technical grants to finance development projects, six million dinars. Total revenues are 1.163 Billion Dinars

Financing Sources—Foreign Loans

- Loans to finance development projects: 85 million dinars.
- Loans from international institutions: 146.1 million dinars.
- Loans for grain purchases: 27 million dinars.

Foreign loans total: 258.1 million dinars.

Domestic loans: 20 million dinars.

Total financing: 278.1 million dinars.

Revenues and financing grand total: 1.441 billion dinars.

Section 41/4—Ministry of Finance

Article Number and Title	Actual Preliminary for 1990	Estimated for 1991	Reassessed for 1991	Estimated for 1992	Clarifications*
8E. Loans and Contributions					
A. Foreign Loan Repayments (in millions)					
1. to International Development Organization (World Bank)	29.885	30.677	30.677	30.316	
2. to Arab Economic and Social Development Fund	5.715	9.830	9.830	8.840	
3. to OPEC	.965	1.232	1.221	1.085	
4. to European Investment Bank	2.154	3.128	3.128	3.225	
5. to Arab Monetary Fund	1.135	5.201	5.201	6.274	
6. to Islamic Development Bank (Jiddah)	.928	1.697	1.697	2.067	
7. to IMF for Agricultural Development	1.058	1.274	1.274	1.267	
8. Kuwaiti Loan Repayments	7.33	—	—	10.247	
9. Iraqi Loan Repayments	5.374	9.359	9.359	5.688	
10. Saudi Loan Repayments	8.425	7.403	7.403	9.658	
11. Abu Dhabi Fund Repayments	0.164	—	—	0.322	
12. U.S. Loan Repayments	—	32.539	32.539	28.090	
13. U.S. Loan Repayments (for grain, in dinars)	.058	.061	.061	.091	
14. Russian Loan Repayments	—	.316	.316	.421	
15. Iranian Loan Repayments	—	.095	.095	.069	
16. to Saudi Trust	—	.908	.908	.920	
17. on Loan for Royal Plane	—	4.636	4.636	1.949	
18. for Phosphate Mining Company Loan (Mitsubishi)	—	4.544	4.544	4.958	
19. IMF Loan Repayments	5,020	—	—	12,205	
20. Canadian Loan Repayments	—	—	—	1.301	
21. EEC Loan Repayments	—	—	—	.103	
22. to Saudi Government	—	—	—	6.910	
23. to Gulf International Bank (\$75 million. Segment A)	—	—	—	3.192	
24. to Gulf International Bank (\$25 million. segment B)	—	—	—	6.910	
25. Qatari Loan Repayments	—	—	—	.282	
26. Japanese Loan Repayments	—	6.928	6.928	—	
27. to German Development Bank	—	4.880	4.880	—	
28. French Loan Repayments	—	.933	.933	—	
29. Other	—	—	—	—	
Total	68,311	125,641	125,640	146,500	
B. Domestic Loan Repayments					
1. for Loan from Arab Bank Limited (17.5 million dinars)	3.500	3.500	3.500	3.500	
2. for Housing Bank Loan to Investment Program	—	3.328	3.328	16.673	
3. for Loan from Arab Bank Limited (Queen 'Aliya' Hospital)	1.267	1.267	1.267	1.267	
4. Therapeutic Medical Organization Loan	—	.500	.500	1.000	
5. to Jordanian Islamic Bank (Therapeutic Medical Organization)	.365	.365	.365	.199	
6. for Housing Establishment's Loan to Telecommunications Organization	.186	.187	.187	.187	

Section 41/4—Ministry of Finance (Continued)

Article Number and Title	Actual Preliminary for 1990	Estimated for 1991	Reassessed for 1991	Estimated for 1992	Clarifications
7. for Arab Banking Organization Loan	—	—	—	.886	
8. Treasury Share of Differentials of Loan Repayments by Abu-Nusayr Housing to Housing Organization	—	—	—	.788	
9. for Housing Bank Loan for Embassy Buildings (12 million dinars)	3.000	.182	.179	—	
10. for Housing Bank Loan for Ministry of Transport Premises	.460	.230	.230	—	
11. for Loans from Social Security Organization (Treasury and Investment Program)	5.975	—	—	—	
12. for Royal Plane	3.963	—	—	—	
13. for Housing Bank Loan for Roads Built by Ministry of Public Works (five million dinars)	.500	—	—	—	
Domestic Repayments Total	19.216	9.559	9.556	24.500	
Repayments Total	87.427	135.200	135.196	171	

*[As published]

Summary of 1992 Budget
(in millions of dinars)

Revenues		Expenditures	
Current Budget			
Domestic Revenues	832		Current Expenditures
Grants		A. Civilian Apparatus	264.207
A. Joint and Rotated EEC Grant	61.2	B. Military Apparatus	
		1. Ministry of Defense	220.7
B. Committed Grants	108.5	2. Public Security	47.5
C. Expected Grants	105.3	3. Civil Defense	4.580
Totals	275		272.78
		C. Other Expenditures	
		1. Food Subsidy	40
		2. Refugee Aid	2
		3. Emergency and Other Expenditures	1.5
		4. Interest on Domestic Loans	28.234
		5. Interest Owed by Abu-Nusayr Housing to Military Personnel	266
		6. Interest on Foreign Loans	135
		7. Pension and Compensations	97
		8. Social Security	4.646
		9. General Expenditures	52.740
		10. Subsidies for Institutions	25.24
		11. Scientific Scholarships	6.7
		Total	403.326
Total Current Revenues	1,107.0	Total Current Expenditures	940.313
		Current Budget Surplus	166.687
Total	1,107.0	Total	1,107.0

Summary of 1992 Budget
(in millions of dinars)
(Continued)

(Continued)

Revenues		Expenditures	
Capital Budget			
Current Budget Surplus	166.687		
Capital Revenues		Capital Expenditures	
A. Recovered Loan Repayments	50.0	A. Development Projects Financed by Revenues	
B. Technical Grants to Finance Development Projects	6	1. Projects of Government Ministries and Departments	198.094
		2. Contributions to Institutional Projects	37.204
		3. Expropriations	3.5
		Total	238.798
		B. Projects Financed by Technical Loans and Grants	91
Capital Budget Deficit	273.798	Total Capital Expenditures	329.798
Total Revenues	1.163	Total Expenditures	1,270.111
General Budget Deficit	107.111		
Total Budget	1,270.111	Total Budget	1,270.111
Financing Budget			
Sources		Uses	
A. Foreign Loans		A. Deficit Payment	107.111
1. Loans to Finance Development Projects	85	B. Loan Repayments	
2. Loans from International Institutions	146.111	1. Foreign Loan Repayments	146.5
Loans for Grain Purchases	27	2. Domestic Loan Repayments	24.5
Total	258.111	Total	171
B. Domestic Loans	20		
Total	278.111	Total	278.111

Estimated Total Expenditures for Fiscal Year 1992
(in millions of dinars)

Section Number and Title*	Expenditures			Section Total	Services Total
	Current	Capital			
		Financed by Treasury	Financed by Loans and Grants		
1. Hashimite Royal Court	7.415	—	—	7.415	
2. National Assembly	1.417	—	—	1.417	
3. Council of Ministers and Premier's Office	.737	—	—	.737	
4. Accounting Bureau	1.048	.11	—	1.158	
5. Civil Service Bureau	.359	—	—	.359	11.086
11. Ministry of Defense	220.7	—	—	220.7	
12. Jordanian Royal Geographic Center	.765	.1	—	865	
21. Ministry of Interior	1.6	1	—	2.6	
22. Ministry of Interior/Civil Status and Passports Department	2.299	.615	—	2.914	
23. Ministry of Interior/Public Security	47.5	6.98	—	54.48	

Estimated Total Expenditures for Fiscal Year 1992
(in millions of dinars)
(Continued)

Section Number and Title*	Expenditures			Section Total	Services Total
	Current	Capital			
		Financed by Treasury	Financed by Loans and Grants		
24. Ministry of Interior/Civil Defense	4.58	1.365	—	5.945	
25. Ministry of Justice	3.898	4.073	—	7.971	
26. Chief Magistrate's Department	1.163	.080	—	1.243	296.718
31. Foreign Ministry	9.428	1.06	—	10.488	
32. Foreign Ministry/Palestinian Affairs Department	.299	—	—	.299	10.787
41. Ministry of Finance	400.817	70.058	—	470.875	
42. Ministry of Finance/General Budget Department	.216	—	—	.216	
43. Ministry of Finance/Customs Department	3.292	.55	—	3.842	
44. Ministry of Finance/Income Tax Department	2.202	.05	—	2.252	
45. Ministry of Finance/Lands and Survey Department	2.481	.165	—	2.646	
46. Ministry of Finance/Public Requirements Department	.618	.03	—	648	480.479
51. Ministry of Industry and Trade	1.117	.125	—	1.242	
52. Ministry of Planning/National Planning Council	.631	28.525	85	114.156	
53. Ministry of Planning/General Statistics Department	.739	.8	—	1.539	
54. Ministry of Tourism and Antiquities/Tourism	.661	.578	—	1.239	
55. Ministry of Municipal, Rural, and Environmental Affairs	1.532	.46	—	1.992	
Ministry of Energy and Mineral Resources	230	.8	—	.310	
57. Ministry of Energy and Mineral Resources/Natural Resources Authority	1.790	10	—	11.790	
58. Ministry of Public Works and Housing	3.317	40.138	—	43.455	
59. Ministry of Public Works and Housing/Central Tenders Department	.082	—	—	.082	
60. Ministry of Public Works/Urban Development Department	.343	—	—	.343	
61. Ministry of Agriculture	6.114	4.205	—	10.319	
62. Ministry of Agriculture/Agricultural Marketing Organization	.274	—	—	.274	
64. Ministry of Water and Irrigation/Jordan Valley Authority	4.027	8.958	6	18.985	
65. Ministry of Supply	1.140	1.385	—	2.525	208.251
71. Ministry of Education	101.5	13.617	—	115.117	
72. Ministry of Higher Education	6.207	.670	—	6.877	
73. Ministry of Health	52.2	23.25	—	75.45	
74. Ministry of Social Development	3.025	.825	—	3.85	
75. Ministry of Labor	.649	—	—	.649	201.943
81. Ministry of Information	.663	.015	—	.678	
82. Ministry of Information/Radio and Television Organization	8.9	1.974	—	10.874	

Estimated Total Expenditures for Fiscal Year 1992
(in millions of dinars)
(Continued)

Section Number and Title*	Expenditures			Section Total	Services Total
	Current	Capital			
		Financed by Treasury	Financed by Loans and Grants		
83. Ministry of Information/Jordanian News Agency	.43	.134	—	.564	
84. Ministry of Youth	2.187	2.14	—	4.437	
85. Ministry of Culture	1.041	.092	—	1.133	
87. Ministry of Tourism and Antiquities/General Antiquities Department	.597	.732	—	1.329	18.905
91. Ministry of Transport and Communications	.185	—	—	.185	
92. Ministry of Transport and Communications/General Post and Postal Saving Organization	5.56	.45	—	6.01	
93. Ministry of Transport and Communications/Telecommunications Organization	15.850	10.775	—	26.625	
94. Ministry of Transport and Communications/Civil Aviation Authority	5.733	2.5	—	8.233	
95. Ministry of Transport and Communications/Weather Observation Department	.755	.134	—	.889	41.942
Total	940,313	238,798	91	1,270.111	1,270.111

* [section numbers as published]

LEBANON

Commentary: Water War Will Follow Political War

92AE0105A London AL-HAWADITH in Arabic
8 Nov 91 pp 6-7

[Text] Among the Arab countries bordering Israel, both Egypt and Lebanon are bound to Israel in a quasi-legal manner, inasmuch as both countries have concluded treaties with Israel. Lebanon preceded Egypt in this regard. In 1949, it concluded a truce with Israel. It has since adhered to this truce, whereas the Arab confrontation states have engaged in a number of wars against Israel. As for Egypt, its peaceful relations with Israel date back to the Camp David Accords, which removed Egypt from the ranks of the states fighting the Israeli enemy.

However, Israel refuses to concede to Lebanon what it conceded to Egypt, [observance of the treaty between the two countries]. Israel argues that Lebanon concluded an agreement in 1969 with the PLO that entitles the Palestinians to engage in military action against Israel from Lebanese territory and to penetrate the borders stipulated in the Lebanese-Israeli truce. Thus, according to Israel's calculus, its contractual peace with Lebanon became abrogated as of 1969.

Israel made this statement before the 17 May 1983 draft agreement with Lebanon was formulated. It repeated it during negotiations to ratify that agreement, and again after Lebanese President Amin al-Jumayyil decided to

renounce the same agreement. Perhaps this Israeli position is among the reasons that favored Lebanon's choice to participate in the peace conference. It is most likely that, had Israel continued to oppose the provisions of the truce agreement, Lebanon would not be among the countries participating in the conference, but would be an observer at most, the same status accorded Egypt in this conference.

Lebanon's peacefulness toward Israel is a *fait accompli*, either because of the truce treaty or because of Lebanon's military weakness. Israel's argument to the contrary, which is based on Lebanon's agreement with the Palestinians in 1969, is rejected, because that agreement was not made by a free Lebanon. Rather, it was a *fait accompli* and was, moreover, subsequently abrogated. The question is: Why has Israel continued to treat Lebanon as a hostile country?

In responding to this question, it can be said that Israel regards itself as having had a political injustice done to it in Lebanon. It views itself as possessing a political share in Lebanon that is on a par with the Arab share in Lebanon. Israel has been encouraged by the contacts that it established with Lebanese of all sects during the Lebanese war. Israel, nevertheless, rejects the current balance of power in Lebanon, especially the preponderance in this balance of Syria, known for its longstanding dispute with Israel. The Palestinians themselves, and Lebanese political forces linked with the Palestinians in one way or another, also have weight in this balance.

Another part of the answer to this question lies in Israel's fear of the competition that will be posed by the role played by Lebanon's economic infrastructure in the Middle Eastern economy when the barriers between the Arabs and Israel are eliminated. Israel has always been envious of, and has tried to appropriate, Lebanon's past roles as the Arab world's hospital, university, summer resort, bank, and parliament. It has frequently been said that Jewish society in Palestine during the British mandate period played several similar roles in relation to the Arab world, and cannot consciously concede that it lost these roles after Israel was established and came to have power in the region wherever the authority of the British mandate itself granted it.

However, Israel also resents Lebanon's refusal to recognize any Israeli right to Lebanese water. Since 1948, Lebanon has rejected Israel's possession of any drop of Lebanese water. Moreover, through its scientists and technicians, Lebanon has led the Arabs' water battle against Israel and different Western projects that have emerged over the course of the years with the aim of giving Israel a share of Arab water.

In the course of doing research for a study on the late Ibrahim 'Abd-al-'Al, the outstanding Lebanese hydrologic engineer, Dr. 'Isam Khalifah, a professor at the Lebanese University, discovered that the Lebanese Foreign Ministry used to constantly receive letters from its ambassador in Washington at the time, Dr. Charles Malik. These letters spoke of a major effort being made by Zionist agencies in Washington to obtain water, whether from Lebanon, Syria, or Jordan. The Lebanese ambassador attached to his successive memorandums a request for his government to transfer these memoranda to Ibrahim Bek 'Abd-al-'Al, a senior official in the Lebanese Works Ministry, so that the latter could supply Arab League agencies with useful information and arguments against projects designed to gain control of regional water resources. Actually, this Lebanese engineer had the merit of leading the general Arab battle to preserve the Arabs' water for the Arabs.

Among the warning cries issued by Ibrahim 'Abd-al-'Al in the Arab world was a lecture that he delivered at the Chamber of Commerce in Damascus regarding Israel's ambition to obtain Arab water.

In this same regard, historians relate that, during discussions regarding the Lebanon's southern border in 1919, when the present-day Lebanon had not been established yet, the French were of the opinion that the borders of Palestine should be advanced somewhat northward to include a small portion of additional Lebanese territory. Patriarch Ilyas Huwayk, who was negotiating this matter with French Prime Minister Clemenceau, almost gave in to this viewpoint, and would have done so had it not been for a Lebanese engineer, Albert Naqqash, who warned him that such a concession would mean giving the Jews the water which they wanted at the expense of the Lebanese.

The late Maurice al-Jumayyil was also among the Lebanese scientists who warned all Lebanese and Arabs of Israel's greed for water. He always maintained that Lebanon's waters are like the oil of the Kingdom of Saudi Arabia, and he advised the Arabs to be more concerned about the fate of their water. His outlook was comprehensive, embracing water resources in Lebanon, Iraq, and elsewhere.

Lebanese mention these three great men, Albert al-Naqqash, Maurice al-Jumayyil, and Ibrahim 'Abd-al-'Al in connection with the current controversy over the fate of Arab water resources, be they adjacent to northern Israel, in Iraq, or the Egyptian Nile itself. Water is the focus of one of the most important Arab political, economic, and development battles. Under ordinary circumstances, the Lebanese view would be expected to be strongest obstacle in the way of various designs on Arab water.

A senior Lebanese official states that the water war will begin immediately after the end of the Arab-Israeli political war. As soon as the file is closed on the Arab-Israeli military, political conflict, the two parties will open the water file in Istanbul, the venue that has been chosen for a future water conference.

According to the same official, Lebanon's strategy at the peace conference is to prevent the subject of water from being taken up prematurely. It is in the interest of Lebanon and the Arabs to prevent this subject from being influenced by any political consideration. Rather, the determining factors regarding water should be technical and developmental considerations and sovereign legal rights.

Numerous factors, including the Gulf war, have entrenched Istanbul as the Middle East's water capital. Following recent elections in Turkey, the new government there has an opportunity to enter the Middle East through the broad gate of water. If Ottoman Turkey used Islam as a weapon to build its glory, then modern Turkey has the weapon of water, inasmuch as Turkey controls the sources of the Tigris and Euphrates rivers and shares in the ownership of the water of the Orontes River, which flows through its territory.

Whoever reads Israeli newspapers notices that many Jewish thinkers advise their government to be concerned with winning Turkey over to Israel's side in the latter's efforts to obtain water. Some of these thinkers maintain that Lebanon's water might be insufficient, which might require Israel to obtain water from Turkey itself.

The Soviet Union was accorded a role at the Madrid peace conference as the co-sponsor of the conference with the United States. The Soviet Union's appearance at the conference drew attention at a time when what the world hears about the Soviet Union concerns only its internal problems, especially the splits, divisions, and declarations of independence emerging like cracks in the body of the former giant.

However, the political role given intentionally to the Soviet Union does not conceal the fact that peace between the parties to the conflict in the Middle East is primarily America's responsibility. America considers the achievement of peace in the Middle East a new beginning in the world, similar to the new beginning that occurred in Eastern Europe and the Soviet Union, according to a remark made by U.S. Secretary of State James Baker.

However, if peace is to be made solely by America and the regional parties, the actual edifice of peace will be a workshop in which all the major world powers will join efforts. Therefore, the visit to France by Lebanese President Ilyas al-Harawi was, in his view, as important as his visit to the United States. Lebanon's platter will be as much Syrian-French-Vatican as it will be American. Each Arab country will also have its own special platter, into which the American and non-American calculation enters.

As for Israel, it already is one of the most active Middle Eastern countries in Europe. It became so especially after it perceived, at the peace conference, that America is no longer its alone, as was the case in the past. In Brussels, the Jewish organization, B'nai B'rith, which is present in 47 countries, held a meeting devoted to a discussion of Jewish activity in the EC. As a result of the meeting, letters were sent to European Parliament deputies, who number 578, in which the Israeli Embassy in Brussels called on them to join in repealing the UN resolution equating Zionism with racism. The deputy chairman of B'nai B'rith's Human Rights Committee also called on European deputies to link the European Parliament's approval of the third and fourth financial protocols that it concluded with Syria to a commitment by Damascus to permit the emigration of Syrian Jewish citizens wishing to emigrate.

The meeting of the Jewish lobby in Europe also focused on problems pertaining to the Arab boycott, European foreign policy, arms sales to the Middle East, and the conditions of Jewish minorities in Europe.

B'nai B'rith derives its effectiveness from its status as a non-governmental participant in the proceedings of the Council of Europe and UNESCO [UN Educational, Social, and Cultural Organization]. In the Israelis' discussions with the EC countries, one of the ideas on which the Israelis are resolved, which is contained in 12 pages under the heading of "regional cooperation," is the idea that ["economic relations support peace and must precede it. If current circumstances facilitate the establishment of large development projects among the countries of the Middle East, small projects permit step-by-step progress in establishing regional cooperation, which precedes and supports political peace. Regardless of the size of small projects, their effect is great. It is desirable to start with small Jordanian-Israeli and Jordanian-Israeli-Egyptian projects in cooperation with the EC's developmental and scientific organizations."

Thus, Israel does not at all disregard the benefit which it can derive from the European factor in structuring the peace it desires, and it is optimistic about the assistance which Europe can provide in this regard.

However, Lebanon is more likely to be the greatest beneficiary of European assistance at present, especially after the visit by President Ilyas Harawi to Paris and Rome. The Lebanese president spontaneously expressed Lebanon's deep historical feelings of friendship with France when, after meeting with France's President Mitterrand, he said: "This is the best meeting held yet!"

Lebanon is second to Palestine in offering the most transparent, practical indications of the well-being of peace in the Middle East. In practice, the world has believed that peace in this inflamed region will become a reality only when the hostage problem is resolved. When that happens, it will only convince people that peace is coming closer to the region. One might also understand events in the Arab capitals by studying events in Washington. Likewise, people can ascertain the speed of the Middle East peace process by observing how it is reflected in Lebanon and in the internal Palestinian-Israeli arena.

Former Minister Junblatt on Economic, Political Issues

92AE0105B London AL-HAWADITH in Arabic
8 Nov 91 p 19

[Interview with Khalid Junblatt, former economy minister, in Beirut; date not given; "Lebanon Heading Toward Final Peace; Nobody Permitted To Violate al-Ta'if Agreement"]

[Text] Former minister Khalid Junblatt believes that the visit by the three leaders to the United States was intended to hasten a solution of chronic problems in the Middle East, especially problems pertaining to Lebanon. [passage omitted]

He told AL-HAWADITH: "I am coordinating political matters with Amir Talal Arslan, not with the Progressive Socialist Party." The following is the text of the interview:

[AL-HAWADITH] How do you evaluate the visit by the three leaders to the United Nations, and their meeting with senior American officials?

[Junblatt] The visit by the three leaders to the United Nations and their meeting with senior American officials is, no doubt, conducive to clarifying the Lebanese viewpoint with the goal of expediting a solution to chronic problems in the Middle East, especially problems pertaining to Lebanon.

[AL-HAWADITH] There has been much talk about starting up an international and Arab support fund to rebuild Lebanon. However, the Algerian foreign minister has declared that several Arab countries are experiencing economic difficulties. What is your information?

[Junblatt] What Foreign Minister Lakhdar Brahimi declared is not new. The world has been affected by financial difficulties because of the Gulf war. That does not preclude the establishment of a support fund to rebuild Lebanon. The United Arab Emirates alone has already pledged \$700 million. Where are the other Arab countries, such as the Kingdom of Saudi Arabia, which will no doubt contribute to this fund? Where are Libya, Kuwait, and the other Arab countries? It is worth mentioning that the American president promised to ask Japan and Germany to participate in this fund, and France and the EC countries have promised aid.

[AL-HAWADITH] Can you comment on media reports to the effect that UN Resolution 425 will not be implemented until after operations against Israel have ceased for at least a year?

[Junblatt] Operations against Israel will not cease as long as UN Resolution 425 is not implemented. The Lebanese Government must support the national resistance in the event that Israel does not withdraw from Lebanese territory.

[AL-HAWADITH] What is your opinion on the UN secretary general's recent refusal to allow the Lebanese Army to enter the international forces' zone?

[Junblatt] I disapprove of, and am dismayed by, the UN secretary general's position. I believe that it stemmed from Israeli and American pressures to induce Lebanon to participate actively in freeing American and Western hostages.

[AL-HAWADITH] In your opinion, what are the dimensions and background of the al-Shuf oil presses action, which has adversely affected a solution to the problem of migrants? How can this problem be solved?

[Junblatt] There are no dimensions or background to the al-Shuf oil presses incident, unless an Israeli hand was behind it, because Israel is the only beneficiary of the forced migration of Christians from the mountain [Jabal Lubnan].

[AL-HAWADITH] Some politicians believe that the situation might explode at any moment because of the state's poor performance in dealing with basic problems facing the people. What is your comment?

[Junblatt] I believe that the Ta'if Agreement was concluded with Arab and international sanction. No one is permitted to violate the plan laid down in this agreement. Thus, there will be no more military explosions after today. However, the Lebanese Government must hasten to remedy the deteriorating economic crisis, so that Lebanese can make an honorable living.

[AL-HAWADITH] As a former economy minister, do you support the proposal to sell to the private sector portions of ministries having a basic relation to aspects of life, provided that the state retains more than 50-percent ownership of them and full supervision over them?

[Junblatt] I am not in favor of selling shares of service organizations to the private sector. However, investments can be made in specialized, sophisticated companies for a specific period, with full state supervision over implementation. The services sector in Lebanon constitutes the bulk of Lebanon's economy. The state lacks the funds needed to provide water, electricity, telephone, and road services, and it is known that the private sector can provide these services more quickly and successfully.

[AL-HAWADITH] What is your view on the economic agreement between Lebanon and Syria?

[Junblatt] I support minister Marwan Hamadah regarding several measures which the Economy Ministry is undertaking, the most important of which is the economic agreement between Lebanon and Syria. As a Lebanese farmer, I maintain that Lebanon suffered greatly due to the absence of an economic agreement defining Lebanese-Syrian relations. In the past, this absence led to the eruption of political crises between the two countries.

[AL-HAWADITH] One group is calling for collecting personal weapons of all persons resident in Lebanon as a prelude to holding peaceful parliamentary elections. Another group [does not] oppose the maintenance of personal weapons, because they would have no effect on elections. What is your opinion?

[Junblatt] Personal weapons do not constitute an obstacle that would preclude parliamentary elections. However, the state must extend its authority forcefully to all Lebanese territory, and it must remain neutral with respect to all candidates for parliamentary elections.

[AL-HAWADITH] Regarding the Druze, there are two lines: the Junblatti line and the Yazbaki line. In which political direction is Khalid Junblatt moving?

[Junblatt] The two parties, the Yazbaki and the Junblatti, have existed since 1740 for political, as opposed to sectarian, reasons. However, these two parties are not doctrinal. Therefore, supporters of the two parties have no monopoly over a specific sect or family. In other words, families and individuals shift their support from one leader to another, according to that leader's political positions. For example, there are large Junblatti families which supported Amir Majid Arslan when he called for independence and the elimination of the mandate. Also, large numbers of educated Yazbaki youths have joined the Progressive Socialist Party.

In relation to our position on this, I do not believe that a human being can alter his political method with such ease after following that method for about 40 years. However, we coordinate political matters with Amir Talal Arslan, in view of his clear, unambiguous national positions, which do not conflict with the course which we have followed throughout our political life.

Changes in Phalangist Orientation Discussed

92AE0105C London AL-SHARQ AL-AWSAT in Arabic
4 Dec 91 p 2

[Commentary by Samir 'Atallah]

[Text] The Phalangist Party in Lebanon has commemorated the 55th anniversary of its founding. This year, the annual "celebration" reflected the party's ruinous state and the fragmentation that has profoundly afflicted it and its leading figures. As is customary, rhetoric prevailed over political language. In general, this rhetoric called for "reconciliation," an understanding of the "other side," and national conciliation. This is, ultimately, a good step, which is better late than never.

However, all of the speeches, which were dominated by a loud, emphatic delivery accompanied by organized clapping, centered around others' mistakes, responsibility, and misdeeds. The speech given by the party chairman, or "supreme head," Dr. Georges Sa'adah, gave the impression that the party opposes splitting and fighting, and that the recently-ended war produced neither a victor nor victory, but only victims.

The Phalangist Party was a major participant in the war. Notwithstanding, this was a war in which everyone took part. The Phalangist Party's tragedy is that it was established primarily as a political-military group under the influence of the fervor generated by World War II. Therefore, when the civil war broke out, the Phalangist Party hastened to enter it and was a major participant in it. However, it now sees that it has lost its military wing with the departure of the Lebanese Forces. It no longer has the political influence that was the reason for its establishment. Moreover, one understands from Dr. Georges Sa'adah's bitter complaints that the party has no influence at all. This year's celebration was also marked by the absence of the "old guard." However, the truth is that the party itself, by an unannounced decision, excluded the founding member of its "political office," ambassador Ilyas Rababi, who now lives in the Netherlands. It also excluded Josef Abu-Khalil, who was the editor of AL-'AMAL throughout the war and is now writing for AL-SAFIR, which is on the other side of the political thought spectrum. It also excluded Dr. Elie Karamah, who headed the party after Pierre al-Jumayyil's death, and it excluded President Amin al-Jumayyil.

The Phalangist Party has been afflicted with the malady of other parties, i.e., splits, divisions, and wings, after having maintained some unity for a long period. Resignations from the political office were rare until the seventies, when they began with the resignation of attorney Rashad Salamah, which was followed by the resignation of Deputy Edmond Rizq. This was followed by a phase of dismissals and resignations leading into new "elections," which were won by the newcomers, who, in any case, represent the Lebanese Forces more than the Phalangist Party in its familiar, traditional form.

However, none of the conflicts that have afflicted the Phalangist Party have been of a dogmatic nature, except perhaps in the seventies. Unlike the other parties, the Phalangist Party has remained a single, Maronite party, except for several transient, cosmetic attempts by which the National Liberal Party was able to attract several Muslim personalities, although it did not attract Muslims [in general].

The Phalangist Party was established in the same period that saw the establishment of the Syrian [Social] Nationalist Party, the Ba'th Party, and the Constitutional Bloc. These other parties attracted a genuine mix of strata and groups. The Phalangist Party, on the other hand, because of the Lebanese concern obsession, became a labor party that protects a single class. When it finally decided to enter into a dialogue with the "other side," the war had already superseded any dialogue.

The Phalangist Party is now presenting proposals for new horizons, a new outlook, and "an understanding of the other side." For the first time, the Phalangist Party appears to be a part of every Lebanese. It has almost no problem with others; however, it does have a major problem with itself, internally.

Minister Reports Improvement in Balance of Payments

92AE0117C London AL-SHARQ AL-AWSAT in Arabic
14 Nov 91 p 9

[Article by Ayyad Abu-Shaqra: "Marked Improvement in Balance of Payments, Foreign Reserves, Bechtel Estimates Our Needs Between \$3 to 4 Billion"]

[Text] Lebanon's Economy Minister Marwan Hamadah spoke very optimistically about Lebanon's economic future in light of general data and studies, whose results have now been put into the hands of officials.

In his conversation with AL-SHARQ AL-AWSAT in London, where he arrived two days ago on an official visit, Minister Hamadah focused on three positive economic indicators present since last spring.

"The first indicator," Minister Hamadah said, "is the rise in the Bank of Lebanon's reserves, from less than \$500 million to more than \$1.2 billion. The exchange rate of the Lebanese pound dropped and then stabilized at a level we consider good, now that prices and wages have adapted to this level." He also said, "We are particularly happy that, given this stable level, we can now prevent speculation and also defend this level, despite increases in salaries and wages.

"The second indicator is the price of a food basket [bag of groceries]—something very important for Lebanese families that have suffered greatly from the increased cost of living. The price of a food basket has registered a decrease of 2 percent. The third indicator is represented by a reversal in the balance of payments situation from the previous two years' deficit, which passed the \$500 million mark, to a surplus of \$631 million in the first

nine months of this year, despite a deficit recorded in the first three months because of the Gulf war.

"This state of affairs indicates that many Lebanese and Arab savers have returned some capital, which has been invested in bonds and real estate, even if they have not returned physically to Lebanon. We are now striving for something more—namely, productive investments.

"Finally, the fourth indicator relates to increased government revenues, or receipts, from taxes and duties. In 1990, these receipts did not exceed 2 billion Lebanese pounds, and their account did not cover any of the government's expenditures, with the exception of the revenues of the Bank of Lebanon. However, revenues have risen from 2 billion to 46 billion for the first months of 1991, and they are currently increasing at the rate of 20 billion a month.

"With the remaining duties, revenues for 1991 now cover about 40 percent of government spending, whereas in 1990, they covered only 7 percent. This fact heralds a gradual return to balance, thus opening the way for the government to confront the thorniest problem in the financial area—the problem of domestic debts. Annual interest on these now accounts for more than one-quarter of the budget. Domestic debts are the only black spot in Lebanon's economic condition today.

"Foreign debts, on the other hand, do not exceed \$280 million. Lebanon is proud of never having missed a debt payment, even in the worst and blackest days of the war. Perhaps this explains the renewed foreign interest in lending to Lebanon and investing in it."

Minister Hamadah then spoke about other encouraging statistics his ministry is recording. He said that these good statistics included increases in building permits, the number of travelers, and the number of companies founded in Lebanon.

"These developments, he said, "have encouraged the World Bank to deal positively with Lebanon's applications and to call for a conference of donor nations to be held in the French capital on 12 December to deal with Lebanon.

"An initial report prepared by the American firm "Bechtel" shows that Lebanon's immediate or medium-term needs for making its infrastructure operational in order to get the economy rolling range between \$3 billion and \$4 billion. This figure is less than we had feared. It seems that if Lebanon obtains initial support from the International Fund to Rebuild Lebanon (now in the process of being founded) and from the conference of donor nations, it will be able—through its own strengths, along with bilateral agreements with Arab and world countries able to help—to break the stagnation and turn the process of rebuilding the infrastructure into a genuine, effective surge to move the entire economy.

"Here we must note that the Lebanese Parliament has, in its joint committees, approved a bill permitting the establishment of real estate companies. This law will permit hundreds of millions of dollars to be invested in

rebuilding not only the business center of Beirut, but also the suburb and mountain sections." The minister continued: "Other issues to which the government will give speedy attention include the new rentals law. It will regulate conditions in this sector and allow owners of capital to invest in construction.

"This law will be accompanied by investments in the housing sector to solve the problems of displaced people or those with limited income. This will be done by utilizing the excess cash that has accumulated in the Bank of Lebanon by reducing the required reserve and interest on the Lebanese pound.

"To return to the data and reports now in the government's possession, I would indicate that, with the preliminary report from Bechtel, it has become possible for the government to offer a detailed list of priorities for restoring the infrastructure to operation. This is a very important aspect, since much aid is contingent on the existence of detailed lists. What we now have is the first drop that heralds a generous rain to come."

Dallul on Agriculture, Smuggling, Narcotics

*92AE0105D London AL-HAWADITH in Arabic
8 Nov 91 pp 34-35*

[Interview with Agriculture Minister Muhsin Dallul by Raja' Kamuni in Beirut; date not given; "By 2000, Lebanon Will Be Without Water"]

[Text] Problems impeding the improvement of services in Lebanon's agricultural sector still lack viable solutions. Agricultural operations are not mechanized, produce is badly distributed (if at all, as is the case with grapes and melons), farmers are not provided with health insurance, and irrigation programs are lacking. These factors have induced many farmers to grow hashish as a livelihood, even if it means dealing with a prohibited crop and being exploited by dealers and smugglers.

In a special interview with AL-HAWADITH, Agriculture Minister Muhsin Dallul presents the remedies which the Agriculture Ministry has begun to implement after the cabinet approved a program to reorganize the ministry and an allocation to improve the performance of the Green Project [for land reclamation, irrigation, and forestation]. The interview also deals with the fate of hashish growers and the possibility of creating alternate sources of livelihood to replace hashish and destroy this toxic substance. The following is our interview with the minister:

[Kamuni] Despite the war's end, the start of reform, and improved productivity in important sectors, Lebanese agriculture remains unable to contribute effectively to national income accounts.

[Dallul] Let me first indicate that Lebanon's agricultural sector currently accounts for more than 60 percent of the state's national income, while the Agriculture Ministry's budget constitutes only 0.85 percent of the general budget.

We have just emerged from a long, destructive war that affected different sectors and destroyed agricultural centers. It is impossible to rebuild them as quickly as the farmers would like.

The rapid reconstruction of the services sector is impeded by insufficient aid, which is also true of other sectors. Although the services sector has been most fortunate in obtaining foreign and domestic aid, activity in this sector has nonetheless been based on limited capabilities and individual initiatives. Agriculture has provided a livelihood to the vast majority of people who migrated to the countryside and villages during the war. They have made efforts to develop agriculture and to introduce sophisticated irrigation methods. No government has helped in these efforts. They have also introduced mechanization to agriculture and harvesting.

I am not attempting to free the ministry of responsibility. We are trying to eliminate the war's impact and apply a planning policy and outlook on the future suited to farmers' aspirations.

[Kamuni] Hashish was cultivated in the al-Biqā' area, in particular, before and during the war, and it is still grown. How is agriculture in Lebanon ridding itself of this dangerous competition? What measures have been employed?

[Dallul] Prohibited crops, to use the common term, have been around for a long time in Lebanon. According to statistics, the percentage of such crops has diminished. This is to be attributed not only to the state's counter-measures (burning hashish fields in al-Biqā'), but also to the difficulties faced by smugglers.

Only the poor farmer plants hashish. Nonetheless, he does not garner the fantastic profits made by smugglers and dealers.

To avoid repeating the mistake of encouraging alternate crops without providing for processing operations, [such as] processing sunflower seeds into vegetable oil, it is worth mentioning that the sugar beet plant experiment proved successful after the establishment of a processing plant. However, the war destroyed it, and farmers in the agricultural sector were prevented from obtaining its sugar or fodder products.

Our current anti-hashish efforts do not focus solely on suppression. We are also seeking to introduce alternative crops. Within two years, we will have completed the counter-operation and introduced irrigation projects. We have funded agricultural processing and we have provided the necessary support to farmers.

I have submitted a study to the cabinet, in which I request official authorization to call for the support of international organizations in agreement with the fraternal Syrians, inasmuch as we have formulated a unified program to combat the cultivation, processing, and smuggling of hashish. Hashish cultivation has dropped off in relative terms. I do not believe that it will cease before aid arrives.

In the course of activities to stimulate the agricultural sector, we have introduced an office concerned with cultivating seeds and fruit trees. We have also undertaken to stimulate the agricultural sector at Tall 'Amarah, given that its agricultural produce is more costly than that of neighboring countries.

Also, this year, we are offering farmers encouraging prices for wheat. We have obtained more than 100,000 tons of wheat, which is 25 percent of domestic wheat consumption.

Of this amount, the Economy Ministry has received 15,000 tons, and the balance is for direct consumption.

[Kamuni] Does the Agriculture Ministry receive aid from international organizations?

[Dallul] We used to obtain aid to eradicate hashish, in particular, and to combat smuggling. We will make efforts in the future to use such aid to introduce alternate crops and provide for the processing of these crops, as I mentioned.

[Kamuni] The invasion of Israeli agricultural products is posing major problems for domestic agricultural products. All public statements notwithstanding, the markets are still filled with Israeli agricultural products.

[Dallul] We did not declare that the suppression of these smuggling operations has been conclusive. We have formulated a plan to stop this competition with domestic produce, and we recommended to the cabinet that the army be tasked with controlling smuggling over the Syrian border or areas neighboring the occupied area. We have circulated handwritten memoranda regarding the seizure of smuggled goods in stores and the fining of those who acquire them.

The Syrian-Lebanese border is very long and impossible to control completely, especially given that smuggling is carried out in both directions. Wheat, diesel oil, and potatoes are smuggled. The Syrian Government has made efforts to introduce teams of camel riders to combat smuggling. They have achieved considerable success in controlling it.

Regarding the borders and areas neighboring the occupied area, Army forces have seized quantities of goods, especially Israeli bananas.

[Kamuni] Apart from smuggling operations, how do you explain the fact that a number of agricultural products are not selling?

[Dallul] Smuggling is not solely responsible for the unsalability of agricultural products in Lebanon. Another factor is the high price of such products relative to the prices of agricultural products produced in neighboring countries, which provide their farmers with the necessary support (fertilizers, seeds, irrigation programs, and different types of farming implements). The products of these countries, particularly Turkish products, are able to compete with Lebanese products. Therefore, we must re-examine agricultural processing operations,

provide for and maintain quality, and produce new crops or trees, as farmers in the south have begun to do.

Recently, an expert from the FAO [UN Food and Agriculture Organization] came to Lebanon. He conducted a survey of plants in Lebanon and was able to identify several plants that might be used for medicinal purposes. He will return next spring and will subsequently submit a study for conducting training.

Actually, leaving aside aid or initial financing, the assistance which can be given to farmers or the agricultural sector suffers from missteps, because the ministry has given them only sympathy.

[Kamuni] It has been reported that farmers have paid for agricultural deals and that the Agriculture Ministry has received fertilizers and olive saplings. Has this aid been sold to the farmers?

[Dallul] We have not obtained any aid. Rather, with funding from the ministry's budget, we transported 990 tons of urea by ship. The ship initially lacked the specifications needed to enter the port. Then, after calculating the transportation costs, we distributed the urea to the farmers, who divided the transport costs among themselves.

We have not received any complaints regarding this matter. Moreover, we have received cables in support of the effort that we made.

Regarding the olive tree plants, the Agriculture Ministry has not received any assistance, because these plants are available in Lebanon. However, during a conference convened by the Agricultural Development Organization, which is subordinate to the Arab League, we were contacted by olive growers from Iqlim al-Tuffah, who then presented their difficulties. As it happened, the Social Reconstruction Agency had taken responsibility for purchasing olive tree plants for these farmers. However, the agency faced a deficit. Accordingly, it intervened at the conference to present the project, and the Libyan Jamahiriyyah resolved to purchase 150,000 plants. Other Arab countries did likewise. After the plants arrived, it became clear that they were infested due to the absence of oversight and the necessary pesticides. They were destroyed in the presence of a joint technical committee from the Agriculture Ministry, the Arab organization, and officials. We did not burden the Lebanese farmer with the destruction of the plants. We currently have a large quantity of these plants and are attempting to market them.

[Kamuni] The Agriculture Ministry has promised farmers that it will market their grapes and apples which they have been unable to sell. What has been done in this regard?

[Dallul] Libya has agreed to import the apples and grapes.

This month, we will also make efforts to export large quantities of grapes to the Arab Maghreb.

[Kamuni] The Green Project still appears lackluster. When will it be resuscitated, given that a special budget has been allocated for it?

[Dallul] Before the war, the Green Project transformed many barren spots in Lebanon into green areas. Lands were reclaimed, and lakes and irrigation projects were created.

After I became agriculture minister, we obtained 3 billion Lebanese pounds from the Chamber of Deputies to reclaim agricultural roads and lands.

So far, 1.530 billion pounds have been spent in this regard, 13,500 dunams have been reclaimed, contracts have been awarded for 24 agricultural roads, and about 16 roads are in the process of being contracted.

In reorganizing the ministry, we incorporated a new forestation plan into the project. This five-year plan, which integrates rural development within the Green Project, provides for the forestation of 14 to 15 percent of our unforested area within four to five years.

We will also authorize the construction of dams and the establishment of nurseries for forestation seedlings within the Green Project. We will seek the help of the army, students, and partnership projects with Arab and foreign countries. Here, I would like to thank the FAO for the assistance and aid which it has provided to the Agriculture Ministry in this regard.

[Kamuni] Have you set up new departments or agencies in the scope of reorganizing the Agriculture Ministry?

[Dallul] We have set up an organization that provides fundamental solutions to the ministry's problems. Senior experts participated in its establishment. We relied on a study drafted by the FAO in 1983, entitled "Agriculture in Lebanon Until 2000."

The Office of Agricultural, Livestock, and Silk Production was merged with the Agriculture Ministry. We introduced a new structure headed by an agricultural council composed of duly qualified members. We also introduced other, new departments.

In addition, we formed agreements with the UN development program to conduct intensive courses for officials, modernize Tall 'Amarah, and establish at al-Fanar a health laboratory concerned with livestock products. We are making efforts to devise new irrigation methods, such as drip irrigation, because, after 2000, Lebanon will need every drop of water, contrary to Israeli claims about the abundance of water in Lebanon.

MOROCCO

PPS Leader Renews Call for 'National Charter'

92AF0170B London AL-SHARQ AL-AWSAT in Arabic
5 Dec 91 p 2

[Article by Hatim al-Butaywi]

[Text] 'Ali Yata, secretary general of the opposition Party of Progress and Socialism [PPS], criticized other

opposition parties (Independence, Socialist Unity) that are trying to bring up issues to distract the Moroccan people from the schemes and maneuvers that are openly and secretly contrived against the unity of Moroccan soil.

Yata, who was speaking at a meeting in Rabat, said that his party was not bringing up the issue of Moroccan unity as a cover for other interests, and that it was not haggling, at the expense of unity, over marginal considerations or obtaining additional seats in Parliament or ministerial portfolios in the government. He explained that what concerned his party was devotion with heart and soul to the basic issue of Morocco, and that he did not expect to be rewarded or thanked for that.

Yata called upon those parties to ensure complete stability for the country and to work to prevent social unrest—such as occurred last year in Fes and Tangier—so as to make sure that the referendum battle will be won. He also asked that dialogue and coordination of efforts by all active forces in Morocco be intensified, and that joint positions be taken towards the referendum process in the Western Sahara. He said: "These conditions will be a kind of fantasy if they do not take form under a national charter whose content, goals, and dimensions respond to the critical phase that the Western Sahara issue is going through now."

Yata explained the "national charter," saying: "It represents a moral and material pledge among the forces that represent Moroccan society. Its goal is to bring about solidarity and cohesiveness on the Western Sahara issue, and to create a favorable climate for mobilization and fervor for the social and democratic battles to be taken up after the referendum is won, and also to open up horizons towards developing the country."

It should be mentioned that last September, the PPS called upon the Moroccan Government and political and economic powers to draw up a national charter for a period of five months. The basis [of the charter would be] that the government would not decide to raise prices; that it would take pains to fully respect the constitution, especially in the area of public and personal freedoms; and that the economic powers would stop shutting down factories, laying off workers, lowering wages, and doing anything that would spoil the general atmosphere of the country and damage the unity of the Moroccan ranks.

The party also appealed to the political powers to concentrate their efforts over the coming months on the issue of Moroccan unity, explaining that broad strikes were launched and campaigns organized with the aim of turning the public attentions away from its basic issue. 'Ali Yata described the "national charter" as being the highest form of the unification struggle. He said that its orientation was national, progressive, and democratic, and he explained that it was not a formula for surrender, nor a reactionary idea, as other opposition parties claim.

Yata wondered: "How can we not agree on the fundamentals of its background, and thus, of the nation?" He said that the nation will remain proud and eternal, but as

for interests and men, they will pass away and come to an end. He expressed his regret that his party's proposals had not received the support they needed from the government and political and economic forces. He criticized the government for having continued its choices, which go against the nature of the times, and he gave as an example next year's financial law. He also criticized factory owners and businessmen, describing them as living outside of the times, and he said that they were operating under circumstances that were not those of mobilization and preparation for the referendum battle, whereas the political forces, especially the opposition parties and the two unions associated with them (the Democratic Labor Confederation [CDT] and the General Union of Moroccan Workers [UGTM]), chose to hold general strikes in the public sectors, as happened recently in the health and education sector.

Yata renewed his call to the other opposition parties to work to achieve the minimum level of coordination needed to meet the challenge of winning the referendum. He pointed out that, if Morocco does not win, there will be no elections or reforms. He mentioned that his party had been the first to raise the slogan of unity, coordination, and alliance. In this regard, he pointed to the Independence Party and the **Socialist Union of Popular Forces Party [USFP], which had chosen to coordinate among themselves and had issued a joint communiqué.

He went on to say that his party had been the first to lay down a strategy that was good for the Moroccan people, based on alliance, while the other opposition parties were arguing and splitting up over secondary points of contention.

With regard to the general policy proposed by the PPS for the period following the referendum, Yata demanded that the constitution be amended and that broad authority be given to the chamber of deputies so that it might be a check to government policy and its effective overseer, and that the government originate from it.

Yata asked that decentralization be increased, that greater authority be given to local groups, and that a limit be placed on the Interior Ministry's power over them.

Regarding the elections that are slated to be held in the middle of next year, Yata said that the basic issue here is that the elections be held in a good political climate and with rules and controls that would ensure their integrity so that they might reflect the reality of all political currents present on the Moroccan scene. He also demanded that a system of absolute proportional vote be used, rather than that of individual vote by majority, and that they be held on the basis of an organized, logical, and open electoral partitioning within a reasonable period of time. In addition, he demanded that the voting age be lowered to 18, and the age at which one had the right to run in elections to 21.

Yata proposed establishing an agency to oversee the course of the elections. This agency would be in the form

of a coalition government, but if that were impossible, it would take the form of a committee consisting of all the active political forces in the country.

Boucetta Explains USFP, Istiqlal Common Front
92AF0226A Rabat L'OPINION in French 17 Dec 91 p 8

[Transcript of interview with M'hamed Boucetta (secretary general of the Istiqlal Party) by Radio Holland International; first paragraph is L'OPINION introduction]

[Text] In an interview with Radio Holland International, M'hamed Boucetta spelled out the significance of the joint statement issued by the Istiqlal Party and the USFP [Socialist Union of Popular Forces]. The constitution would be rewritten and the representative institutions would exercise their prerogatives fully. According to Boucetta, the last elections were tainted with irregularities.

[RADIO HOLLAND INTERNATIONAL] What is the significance of the association of Morocco's Istiqlal Party and the USFP in a united front? Does this joining of forces mean that your two parties will present a joint electoral platform?

[Boucetta] The two parties are aware of the crucial responsibilities that befall the entire nation at this juncture and of their own national responsibilities to be instrumental in mobilizing the people fully to meet the challenges that Morocco faces and to succeed in the venture of building a united Morocco in which liberty and democracy reign. The two parties have therefore announced that they are coordinating their stands, combining their efforts, and committing themselves to act together, driven by a shared goal, in order to tackle the problems and issues confronting Morocco. Foremost among them is the issue of achieving territorial integrity and settling the Saharan question by taking action to ensure the success of the operations now under way in this portion of Moroccan territory and by responding to the challenges posed.

Among the problems to be tackled, elections are to be held in Morocco to establish representative institutions at the local, regional, and parliamentary levels. The two-year extension of tenure has expired. Therefore, we, as opposition parties, have agreed to coordinate our activities as we are committed to the democratic path that requires that essential and practical measures be taken immediately, in keeping with a very specific program, in order to establish solid foundations on which to build a democratic system, one that will renew the people's confidence and offer them new opportunities....

So that all of that may be achieved, we have called for an overhaul of the Moroccan Constitution. We have also asked that the representative institutions play full roles in making political, economic, social, and cultural policies and decisions and that the House of Representatives be allowed to exercise its prerogatives to make laws and oversee the executive branch.

In addition, we have demanded a true separation of powers and effective independence for the judicial

system with respect to sovereignty, the law, and the protection of the rights and freedoms of citizens. Furthermore, political, legal, and practical guarantees, indicative of a political will to hold fair and open elections, must be instituted for the general elections. As we have said more than once, the last elections were not impartial: Far from being fair and open, they were tainted with irregularities.

We have issued a memorandum regarding this matter and the dialogue continues....

[RADIO HOLLAND INTERNATIONAL] Has there been any progress toward effective measures to prepare for a general climate [as published]?

[Boucetta] There has been a great deal of progress in that the human rights organizations have obtained significant results in this matter. At this time, I would like to state that we stand by our demands, which we spelled out in the joint Istiqlal-USFP declaration.

With regard to detainees, we continue to demand that all political detainees be released, regardless of their views, and that all those in exile be allowed to return.

[RADIO HOLLAND INTERNATIONAL] On the referendum in the Sahara, a shift has been noted in the stands taken by the Istiqlal Party and the USFP. You used to say that a referendum had become superfluous, but now approve of the referendum being organized under the auspices of the United Nations. What explains this change of position?

[Boucetta] Our position has not changed at all. We said that the need to hold a referendum had ceased to exist in view of completely objective factors, given the changes and developments that have taken place in the region, the most important of them being the creation of the Arab Maghreb Union.... These factors prompted us to contend that a referendum had become superfluous, but the United Nations process continues....

The Moroccan Sahara is an integral part of Morocco taken as a natural and historic whole. It was recovered in a manner consistent with international law and international practices. Its recovery was also consistent with the popular will of the inhabitants and was won after a long and bitter struggle by the entire Moroccan nation and with the sacrifices made by the Royal Armed Forces....

We maintain that the Saharawis, particularly those held against their will in Tindouf, must be given every guarantee that will enable them to express their views and confirm their Moroccan identity by voting in the referendum.

[RADIO HOLLAND INTERNATIONAL] What do you see as the outcome of the referendum in the Moroccan Sahara?

[Boucetta] The United Nations must take into account each of the voter lists submitted by Morocco. The

Saharawis who moved into northern Morocco for various reasons—the first reason being to escape colonial persecution—have the right to confirm their Moroccan identity.

At any rate, our Saharawi brothers will express their commitment to their Moroccan identity, as they have always done in the past, and this problem will be settled once and for all.

Financial Cooperation Accord Signed With Germany

*92AF0182C Rabat ALMAGHRIB in French
4 Dec 91 p 3*

[Text] A financial cooperation agreement between the Government of the Kingdom of Morocco and the Federal Republic of Germany was signed in Rabat last Friday by the director of the treasury and external finance in the Ministry of Finance, Mohamed Dairi, and the FRG's ambassador to Rabat, Wilfried Hofmann.

In 1991, as part of its financial cooperation with Morocco, the FRG Government will provide the kingdom with an amount of up to 65 million deutsche mark [DM], including DM45.2 million as a nonreimbursable financial contribution and DM19.8 million granted on the following terms: an annual interest rate of 0.75 percent and a term of 40 years, including a 10-year grace period.

It should be pointed out that the two parties agreed to use that sum to cofinance projects for supplying Youssoufia, Chemia, and surrounding douars [rural administrative subdivisions] with drinking water (DM15 million) and for sanitation improvements in the cities of Khenifra and M'Rirt (DM25 million), agricultural development of the Loukkos for dry farming (DM5.2 million), and aid in the form of merchandise (DM10 million), funds for studies and experts (DM3 million), and dry farming in Had Kourt-Ouezzane (DM6.8 million, including 2.2 million in the form of a nonreimbursable financial contribution).

It should be noted that this agreement was signed only a few days after the 25th anniversary of the signing of the technical and economic cooperation agreement between the two countries on 24 November 1966. It should also be pointed out that from 1966 to 1989, German involvement in financial and technical cooperation with the Kingdom of Morocco has totalled DM1.92 billion.

Foreign Investment Trends Outlined

*92AF0170C London AL-SHARQ AL-AWSAT in Arabic
16 Nov 91 p 11*

[Article by Muna al-Bustani]

[Text] Recently foreign investment in Morocco has turned to the banking sector, with a comparative decline in the traditional areas of industry, real estate, and tourism. Investments by Western countries shrank compared to the noticeable increase in Arab investments.

However, foreign investment in general has clearly increased since the middle of the eighties, and it has essentially been financed by hard currency. No more than 28 percent of the primary value of invested foreign capital in the form of revenues has been transferred abroad.

A field study done by the AL-ZARF AL-IQTISADI Studies Center, part of the "Omnium of North Africa" (ONA) conglomerate, on foreign investment in Morocco said that foreign investment increased by 17 percent annually during the eighties, and rose from 611 million Moroccan dirhams in 1980 to 1.87 billion dirhams in 1990. In spite of this relative growth, foreign investment represents only 9 percent of the state's spending on equipment, and 2.93 percent of total investment in Morocco.

The AL-ZARF AL-IQTISADI Studies Center attributes the relative growth of foreign investment, especially since 1986, to two basic elements: First, the incentives contained in the new 1983 investment law, which loosened banking controls. This new investment law reviewed the system of transferring profits and income from foreign capital abroad by facilitating this process and making it open to all foreign investors. While the 1973 law made these remittances subject to prior permission from the exchange office, the new law was based on the principle of free transfer of foreign investors' profits abroad by simply informing the concerned bank. It also enacted a number of tax exemptions aimed at lessening the cost of investment and increasing companies' returns during their periods of establishment and expansion.

Second, easing the system regulating hard currency created another incentive for foreign investment, especially after it was decided in March 1988 to end the requirement for prior permission from the exchange office for investment operations. Such permission was also ended for remitting capital income for the benefit of foreign citizens through Moroccan residents.

In spite of these incentives, it is apparent that during the eighties, Arab investments in Morocco have risen more than European and American investments. However, the latter remain in the forefront, comprising 48 percent of total foreign capital invested in Morocco. France's share alone is estimated at 22 percent of the capital invested during the past decade, followed by Switzerland with 5.5 percent; the United States with 5.12 percent; Spain with 4.3 percent; West Germany with 4.2 percent; and Britain with 3.6 percent.

While American and European investments fluctuated, Arab investments, especially from Saudi Arabia and the United Arab Emirates, rose rapidly, so much so that the share of these two countries came to represent 26 percent of total foreign capital invested in Morocco during the past decade, surpassing the volume of new French investments during the same period. The share of Arab capital in new foreign investments rose from 5 percent in 1980 to more than 22 percent last year.

The industrial and real estate sectors are the two most important areas that attracted foreign capital during the past decade, with a share of 27 percent each, followed by tourism with 7 percent, and fishing with 5.4 percent. The banking sector attracted more than 5.3 percent of the foreign capital pouring into the Moroccan economy during the eighties. The commercial sector had only 2.6 percent, but in spite of that, it was noted that foreign investors were becoming relatively interested in the Moroccan financial sector, since foreign capital invested in it rose from 2 million dirhams in 1980 to 8 million dirhams in 1990. The study by AL-ZARF AL-IQTISADI's Center concludes that foreign investment helps to increase Morocco's hard currency revenues, since only 28 percent of the capital invested in Morocco in the past decade was transferred abroad in the form of capital profits and income. Moreover, 88 percent of the financing of these investments was done in hard currency. The foreign capital income which was transferred abroad was estimated at 261 million dirhams per year from 1980 to 1990. Thus, the net flow of foreign capital into the Moroccan economy averaged 682 million dirhams per year during the same period.

The study by AL-ZARF AL-IQTISADI's Center did not mention the effects of the 1989 abolition of the "Moroccanization law" on the growth of foreign investment in Morocco, but the "Moroccanization law" of 1973 required that foreign capital be invested "fifty-fifty" with Moroccan capital in companies established in Morocco. So far, there has been no clear reflection of the decision to cancel this law on foreign investors. However, it has been noted that foreign investment fell by 2.5 percent to 1.97 billion dirhams last year, but the Gulf crisis played a role in this decline.

European Unity Model for Maghreb Unity

92AF0226B Rabat L'OPINION in French
14 Dec 91 p 1

[Editorial by Mohamed Idrissi Kaitouni: "The Meaning of a United Europe for the Maghreb"]

[Text] Despite Britain's reluctance, the countries of the European Economic Community (EEC) at their recent meeting in the Dutch town of Maastricht adopted the broad outlines of a European union, which is to have a single currency (the ECU [European Currency Unit]) by 1999 and work toward the goal of a common defense.

The 12-member EEC had only six members and limited goals when it was created in 1957. It has therefore taken a giant step forward, London's reservations notwithstanding, in deciding to implement the social charter program approved in 1989.

The implementation of a European social policy will be the prelude to the adoption of a common foreign affairs and security policy until a European defense policy—based on the Western European Union—is worked out in the more distant future.

Thus, the countries of the EEC have shown their determination to pursue the process of political, economic,

and social integration in response to the rapid and far-reaching changes occurring in a world now dominated by a single superpower, the United States, following the break-up of the USSR and the collapse of the Communist bloc.

The unification of European countries, which do not have a common language and that in the course of their history have known atrocious wars involving religion or conflicts of interest, should prompt us in the Maghreb to think about integration among ourselves.

The five countries that make up the Arab Maghreb Union have advantages that the 12 members of the EEC do not have: We share the same religion, Islam; we speak the same language, Arabic; we have common ties of ancestry, family relations, history, and geography.

Our peoples believe in unity and dream of achieving it in order to build a common future.

Why, then, do we still hesitate to build a united and prosperous Maghreb without borders?

True, the founding of the Arab Maghreb Union represented a major step forward, but we should hasten the process of integration so that we may tap the wealth we have in common and draw out our potential to ensure a better future for the coming generations.

In response to a united Europe, a homogeneous regional whole must be created. It must have a common policy in various sectors and be capable of defending the interests of the Maghreb's masses and of pursuing the North-South dialogue to the fullest, giving it a new content devoid of the mindset of domination and relationships of subordination.

Taken individually, the countries of the Maghreb cannot assert their interests, but together their voice will be heard, not only in their dealings with Europe, but internationally as well.

Now is the time to move forward and turn the page on the over sensitive reactions, the disappointments, and the mentalities of the past and build a united Maghreb.

Solution to Ceuta, Melilla Dispute Urged

92AF0226C Rabat L'OPINION in French
17 Dec 91 p 1

[Editorial by Mohamed Idrissi Kaitouni: "Ceuta and Melilla—Two Moroccan Cities"]

[Text] Spain's president, Mr. Felipe Gonzales, made the following statement: "Ceuta and Melilla should not have their own parliament capable of making laws, nor should they be given 'autonomous status.'"

In reality, it would be logical and fair, as well as inevitable, for the two cities and neighboring islands to be returned to Morocco. That this territorial dispute, reminiscent of the by-gone colonial era and mentality, should still exist is incompatible with the spirit of democracy and liberty that ought to prevail in international relations and requires neighborly relations

founded on the basis of mutual respect, nonintervention in the affairs of others, mutually beneficial cooperation, stability, peace, and security.

Morocco and Spain have signed a major agreement of friendship and cooperation. They wish to strengthen their ties and work together to make the western Mediterranean an area of peace, dialogue, and prosperous trade. Their path should not be blocked by obstacles left over from the colonial era such as the occupation of Ceuta and Melilla.

The dispute must be settled peacefully with a view to the future and what the future demands in terms of investment in development and progress. The past—its disappointments, its resentments, and its changing tides—must be forgotten.

Morocco and Spain, lying across the Strait of Gibraltar from each other, have no choice but to live in mutual understanding. They must quickly rid themselves of the colonial legacy of the continued occupation of Ceuta and Melilla, which hinders progress toward achieving the deepest aspirations of their peoples.

The joint study group proposed by Morocco should be formed and without delay begin examining unsettled problems between the two countries, which are neighbors and friends. The decolonization of Ceuta and Melilla and their return to Morocco should be at the top of the agenda.

The prospects for bilateral cooperation are vast and promising, and there are many areas in which cooperation can be taken further.

In addition, Morocco and Spain, which form a natural bridge between Africa and Europe, have a determinant role to play in establishing new links between a united Europe and the Arab Maghreb Union as a regional association that is to achieve complementary relationships among its members and integration.

The vestiges of colonialism must therefore be removed through a peaceful settlement to the question of Ceuta and Melilla, which are Moroccan and shall always be Moroccan.

Trade Minister Discusses Priority Issues

92AF0170A London AL-SHARQ AL-AWSAT in Arabic
26 Nov 91 p 11

[Interview with Minister of External Trade Hassan Abouyoub by 'Ali Ibrahim in London; date not given]

[Text] Morocco is one of the few non-oil-producing Arab countries that has been able to make tangible steps toward liberalizing its economy, attracting foreign investment, and increasing private sector activity.

According to our information, it is the first Arab state that will soon begin an experiment of selling public companies and establishments to the private sector and foreign investors through bids, which has led to the birth of an active stock market and the enhancement of its credibility in the eyes of foreign investors.

It is also giving a new and different meaning to the attitudes that were established during the past two decades towards developing countries in their international trade relations. These countries do not want aid and exemptions, but freedom of trade so that they can export their own products. It is clear that aid does no good if projects in the developing countries are not allowed to stand on their own feet and learn to "swim" in the sea of international competition in marketing their products.

According to Hassan Abouyoub, Moroccan minister of external trade, subsidization policies were very harmful to developing countries. The best example of that is the support given by the European [Common] Market to its agricultural products, which enabled it to export its products and flood markets, including Arab markets, which caused great harm to Arab agriculture.

In a visit to London at the head of a Moroccan delegation of companies and businesses, Hassan Abouyoub was trying to identify export opportunities in the British market and establish joint investment relations. During this visit, AL-SHARQ AL-AWSAT met with him and conducted the following interview on the policies of liberalizing the economy in Morocco, what has been achieved, and future projects.

[Ibrahim] To start with, we would like you to give us a quick view of the progress Morocco has made in the area of restructuring its economy and freeing the market in recent years, and the stage at which these efforts are now.

[Abouyoub] If we compare our situation now with what it was in 1983 at the start of the steps to free the market, we see that there is a big difference. At that time, the economic situation in Morocco was extremely bad, our debts were huge, we were not able to take on the burden of servicing [both] the debt and the budget deficit, and the current account deficit was high, up to 13 percent.

Instead of resorting to restricting imports and closing our market, we chose the harder road, namely freeing trade and opening the market to attract foreign investment and strengthen export capability. The result is shown by current figures, for our foreign reserves are enough to cover imports for a period of four months, which is a good rate compared to many other countries in the world. The export industry represents 62 percent of our exports [as published], and there is important growth in the textile and electronics industries. This economic structure, whose laws and regulations we have been intent on making similar to those in industrialized states such as Britain, has pushed us towards more ambitious plans in the financial sector in order to develop our banking sector, and in the policy of exchange rates, whereby the Moroccan dirham would be completely floated, so as to become a free currency that could be circulated in all money markets by 1993. Foreign investments do not have any problems in Morocco and they are even able to export capital. The only problem for them is that the government still controls the rate of exchange, but this will end in 1993 and will be subject to

the factors of supply and demand only. The best indication of the world market's confidence towards the Moroccan economy is that Moroccan debts are assessed in the secondary debt market at 62 percent of their value; in other words, that they are sold in this market at 62 cents to the dollar, a high rate, as you know, and this rate is continuously rising.

[Ibrahim] Many Arab and developing countries are now adopting an open-door policy towards foreign investments, and now the Soviet Union and Eastern Europe have also joined the ranks. However, results often do not meet expectations, and foreign investors often face bureaucratic problems and the like.

[Abouyoub] I would like to say that Morocco began to invite foreign investment a long time ago, more than 30 years ago, but at that time we were not successful because we did not heed the call by foreign investors to provide an attractive investment environment. We ought to have first cleaned inside our house, and that is what was done in the economic reform policy of the eighties. The result now is that foreign investors are coming on their own, and international banks are interested in the Moroccan market and are looking into setting up branches in it. We have programs specifically for turning public companies over to the private sector, and foreign investors have expressed interest in this program.

With regard to bureaucratic problems, there is no country in the world that does not have red tape for some measures, but in Morocco, there is a solution to these problems. We have issued instructions to facilitate all steps. There is a special department responsible for dealing with foreign investors, and investment offices that act on behalf of investors in settling their affairs with local offices.

I would also like to mention that the program of liberalizing the economy in Morocco differs from that of Eastern Europe. In that bloc, the economies were completely closed and all economic activity was under total state control. In Morocco, the private sector and private investment have been around for 12 centuries.

After independence, the state had had to enter into some economic activities in industry and mining because technology was scarce, and because it wanted to develop them with investments that were not available to the private sector at that time. Now we are pulling out of these activities and leaving them to the private sector.

The state has about 10 to 15 large industries and shares in other companies, which it will sell to the private sector by way of competition and bidding after neutral parties have evaluated their assets. When these companies and establishments are put on the market, they will be available to foreign investors and the revenue will be used to finance public spending programs on infrastructure, such as communications and transportation.

[Ibrahim] You have asserted the principle of freeing trade, and Moroccan policy is tending towards reducing

customs restrictions. Is that in conflict with the protection needed by new industries that need to stand on their own feet in the face of foreign competition?

[Abouyoub] We believe in free trade, since it is beneficial, and parliament has passed a law on trade that includes freedom to import and export. Protection can be given to some industries, and tariffs would be calculated in proportion to the suitability of the product. If a new product is put on the market, it could be granted protection for a short time, about three or four years.

[Ibrahim] Do you have preferences in the area of foreign investments?

[Abouyoub] Electronics is one of the growing industrial investment fields in Morocco. There are now five American, European, and Austrian companies manufacturing electronics in Morocco, and their entire product is slated for export. We also believe that there is a shortage of transistors on the world market, and Morocco enjoys the appropriate basis for this industry. In this context, we have granted incentives to aid the infrastructure of these industries. We also need investments in the agricultural sector, in the area of greenhouses for producing exportable crops in the winter and also to meet local needs for some agricultural products. There are now 40,000 hectares of agricultural greenhouses in Morocco.

[Ibrahim] Morocco is now raising the slogan "We do not want aid; we want free trade." That is reflected in your interest in the GATT [General Agreement on Trades and Tariffs] Uruguay session, which is going on now to free international trade. It has been mentioned that you have made an invitation to hold the meeting to sign this agreement in Morocco.

[Abouyoub] Officially, we have not made an invitation for signing the agreement of the GATT Uruguay session in Morocco, but there is a tendency among member states of GATT towards holding the meeting in Morocco, though it has not yet taken an official form.

The idea of trade before aid is based on the fact that, during the past two decades, the attitude toward the south and its relationship to the north has been that developing countries were different from industrialized nations as to the principles that governed their trade, and the GATT Tokyo session sanctioned this principle. That meant that ultimately "simply because you are a developing nation, you have the right to make economic mistakes." The application of this principle kept developing nations from carrying out any practical reform of their economies, though they would have had good opportunities if they had done so. As a result, they did not enjoy the trade preferences granted to them, and they did not improve their ability to enter the markets of industrialized states. The application of this principle excluded us from the world economy and thus weakened our bargaining power. But now we say that we do not want aid from the industrialized nations, but we want to be like them with respect to trade conditions; in other words, we want to gradually come to be part of the same climate that governs the dealing of industrialized states

with one another. We do not want special treatment, and thus we would make them answerable on their own principle if they closed their markets to our products.

[Ibrahim] But are there good opportunities for exporting to markets marked by international competition?

[Abouyoub] The opportunity is there for export if the product is good, of the right quality, and at the right price. That is the responsibility of the companies. As for the state, it is responsible for creating the necessary climate, helping small companies to identify foreign markets, training, and providing the infrastructure. As for quality, the same companies that are there operate here, for 25 percent of Moroccan industry is owned by foreign investment.

[Ibrahim] Recently, Morocco decided to establish a free banking zone in Tangier. What opportunities are there in this respect, especially since there are competing zones?

[Abouyoub] We believe that, for geographical reasons, Tangier has a good chance of playing the role of an offshore banking zone. Organizational questions will, of course, fall on the shoulders of the Central Bank. The principle of bank confidentiality will be applied, but not absolutely, for we are concerned that there be no illegal money laundering activities in this zone. There are international banks that have expressed an interest in the plan, and the minister responsible for foreign investment is pursuing this matter.

[Ibrahim] North African states are uneasy about European unity in 1993, and its effects on the region's exports to the European market. It seems that there is great concentration on Europe, when there could be other regional markets such as the Arab market.

[Abouyoub] In 1993, Europe will be the largest market in the world, and 65 percent of our trade is with European states in the broad geographic sense. There is no substitute for that, for our Arab economies are still weak. It is now wrong to classify economics geographically, for it is now a world market. Information is transmitted with great speed because of modern means of communication, and the concept of international trade has changed, so if I am successful in the European market, then I will be successful in the Arab market. Currently, our trade with North African countries does not exceed 3 percent of our total international trade, mainly because our economies have a competitive, not a complementary, basis. The goal of North African unity is to create greater opportunities for trade among us, which would depend on freeing trade among these countries, and the development of a North African market would increase our bargaining power within international trade.

[Ibrahim] What about the agreement on rescheduling Moroccan debts and ending the trade deficit?

[Abouyoub] We will sign the latest agreement on rescheduling debts at the beginning of next year, and with that we will have closed the file on rescheduling the 1990-1991 debts, which are a small amount. As for the state of the balance of payments, it is good now.

Regarding the balance of trade, it is not a goal in and of itself. On the contrary, how nice it would be if the trade deficit were larger and if that were tied to the purchase of technology from abroad, because that would serve the development of our economy.

The problem is not in the trade deficit itself, but rather whether there are revenues to finance this deficit. Therefore, the goal of our economic plan is to raise the national savings capacity so that growth can be accelerated. If that is achieved with the growth in exports and an increase in tourist revenues, we will be in a good position to finance the trade deficit.

Governors Launch Various Socioeconomic Projects *92AF0195A Casablanca MAROC SOIR in French* 20 Nov 91 pp 1, 3

[Text] On the occasion of the 36th anniversary of Independence Day, our kingdom's provinces and prefectures witnessed the launching of several socioeconomic development projects.

In El Hajeb Province, Governor M'Hamed Kighani, accompanied by the president of the circle of El Hajeb, local elected officials, law enforcement officers, the heads of administrative departments, and several other dignitaries, proceeded to lay the cornerstone for the headquarters of the provincial branch of the Ministry of National Education, which will cover an area 4,500 meters square and have 38 offices, four storage areas, a conference room, three garages, and two official apartments. The cost of the project is an estimated 400 million centimes.

The governor and officials accompanying him also participated in an El Hajeb City Council ceremony at which prizes were awarded to the winners of different athletic, cultural, and artistic competitions initiated on this occasion.

In the commune of Sbaa Ayoune, Kighani laid the cornerstone for a lycee that will have 11 classrooms, three rooms for specialized instruction, a library, teachers' room, six administrative offices, nurse's office, playing fields, and three apartments. The cost of the project is 600 million centimes.

In Kalaat Sraghna Province's Rhamna circle, provincial Governor Fouad Raiss officially opened Arbia Sokhour School and a 240-bed boarding facility costing some 972 million centimes.

In Ben Grir, the governor officially opened new premises built for Ben Grir School comprised of four science classrooms, two other classrooms, administrative offices and playing fields costing 372 million centimes.

It should be noted that the Ministry of National Education plans the construction of four schools in Kalaat Sraghna Province in Ararga, Bouchane, Ras Al-Aine, and Lauzen as part of the program to improve the second cycle of basic education in rural areas.

Raiss also officially launched the reforestation of 70 hectares in Gbilet and Nazlet Haadhem in the circle of Sidi Bouakimane and presided over the opening of a bridge over Defla Boukhicha Wadi. The bridge is 46 meters long and 9 meters wide and cost 510 million centimes.

The governor visited the site where public road No. 7 is being rebuilt. The 49-km road connects Marrakech and Casablanca and the work will cost an estimated 2.67 billion centimes.

In the city of Kalaat Sraghna, he presided over a ceremony comprising part of the Independence Day celebrations and another similar event in the circle of Bouahimane.

Raiss was accompanied by the provincial general secretary, local elected officials, heads of provincial departments, members of the elective bodies, and other dignitaries.

In the prefecture of Skhirat-Temara, Governor Hamid Jabiri presided over the launching of two development projects, one at Ahl Haret measuring 24 hectares and comprised of 1,244 parcels of land mainly reserved for the inhabitants of Ahl Haret. The rest will be used for the construction of socioadministrative departments at a total cost of 8.4 billion centimes.

The second is the site of the old market and covers a 16-hectare area divided into 1,430 parcels. Of these, 1,235 are reserved for people living in shantytowns and the rest for socioadministrative departments, costing a total of 6.03 billion centimes.

The Temara industrial infrastructure was strengthened by the addition of a new ready-to-wear factory officially opened by the governor. Construction of the factory cost 4 billion centimes and provided 140 new jobs, a figure expected to rise to 400 by 1992.

A local branch of the National Farm Loan Bank was opened in the commune of Skhirat.

Participating in the ceremonies were the general secretary of the prefecture, deputies, elected officials, local authorities, and other dignitaries.

At the Children's Home in Guelmim Province, Governor Omar Agoudad, accompanied by deputies, elected officials, and civilian and military authorities, was a guest at a circumcision ceremony for children from needy families to whom gifts of food were also presented. The governor hosted a reception for participants at the provincial headquarters during which speakers recalled scenes from the heroic struggle against the colonizer waged by our nation's father, the late King Mohammed V.

On that occasion, the Regional Commissariat for Members of the Resistance and Veterans of the Army of Liberation in Guelmim drafted a rich program of seminars, reports, and lectures on the struggle of the Moroccan people and the late King Mohammed V.

In Kenitra Province Monday, provincial Governor Mohamed Guerraoui laid the cornerstone for construction of a mosque at the Bir-Rami industrial complex. The project, total estimated cost of which is 2,079,000 dirhams, will cover an area 1,665 meters square and, in addition to several other departments, have five stores, a hall, and open space.

At the Souk Larbaa Al-Gharb center, the governor officially launched the second installment of the Salam district drinking water project benefiting 1,800 families and costing some 1,599,040 dirhams.

At Moulay Bousselham, Guerraoui also laid the cornerstone for a telephone central covering 1,200 square meters and costing some 700,000 dirhams. In the same region, the governor officially launched construction work on new communal developments where 264 houses will be built on an area of 10 hectares.

In Ibn Mansour Commune, Guerraoui visited the area where a fight is being waged against expansion of the desert. Hardwood trees are being planted on 13 hectares stretching 31 km along the Atlantic Ocean. The project will cost 2,378,500 dirhams.

During these activities, the governor was accompanied by deputies, elected officials, local authorities, members of the teaching corps and heads of foreign departments.

At Khenifra, the 36th anniversary of Independence Day was marked by several athletic and cultural events and the launching and official opening of socioeconomic projects.

In Khenifra Monday, provincial Governor Ali Kebiri, accompanied by provincial deputies, teachers, local elected officials, civilian and military authorities, the heads of provincial departments and dignitaries, officially opened a modern oilworks in the mosque district.

The governor then proceeded to the rural commune of Ait Ishak, where he presided over a ceremony marking the official opening of a new building for Lahcen Lyoussi School.

In the rural commune of El Kbab, Ali Kebiri officially opened the first section of the road connecting the center of that commune to the city of Khenifra.

Following these ceremonies, the people's representatives asked the governor to express their unwavering loyalty to the king and the glorious Alids throne and their permanent mobilization behind the king to defend of the territory and the nation's sacred institutions.

Also marking the 36th anniversary of independence, other wilayas, prefectures, and provinces officially launched work on several socioeconomic projects and the planning of several artistic events. Mohcine Terrab, governor of Tetouan Province, presided over the opening of a diagnostic and radiology clinic whose construction cost 450 million centimes.

The governor then officially launched the project to pave the 15-km road connecting Tetouan and Jbel Ouritoun, e,

financed by the National Posts and Telecommunications Office (ONPT) at a cost of 1 billion centimes.

In the industrial zone of Tetouan, Mouhcine Terrab opened an industrial fish freezing unit built on an area of 2,300 square meters and representing an investment of 500 million centimes.

In the same area, the governor laid the cornerstone for construction of a regional laboratory for experimentation and research that will be used to supervise construction and cost 160 million centimes.

On that occasion, Abdellah Faik, governor of Tata Province, presided over a reception honoring members of the Resistance and veterans of the Liberation Army, Green March volunteers, and a number of other civilian and military personalities. The governor also inquired into progress on construction of the Lamssalit Dam in the commune of Tata.

Salah Zemrag, governor of Laayoune Province, presided over a ceremony during which the provincial representative of the High Commission on Members of the Resistance and Veterans of the Liberation Army delivered a speech in which he emphasized the profound significance and scope of the struggle of the king and the people. He recalled that in November, Moroccan people from Tangiers to Lagouira celebrated the 16th anniversary of the glorious Green March, another historic event bearing witness to the perfect symbiosis between the throne and the people.

Within the framework of festivities marking the 36th anniversary of independence, Tiznit Province celebrated that happy event in an atmosphere of patriotism, gaiety, and pride.

Governor Tayeb Alaoui went to the rural commune of Had Regada in the circle of Tiznit to preside over a ceremony launching construction work on a long-distance line station as part of a national program drafted and executed by the ONPT over an area of 2,000 square meters at a cost of 6.89 million dirhams.

The provincial director of agriculture then presented to the governor the public works equipment and machinery that that department had acquired, including: a hydraulic shovel, loader, excavator, compactor, and dump truck, to be used to maintain irrigated perimeters by the distribution of flood waters and the digging and development of the main irrigation canals.

Following the ceremony, the presidents of the commune and the provincial assembly delivered speeches in which they emphasized the role played by the late King Mohammed V and his comrade in that struggle, King Hassan II, and the sacrifices made by the royal family.

The governor was accompanied at the ceremonies by deputies, teachers, and civilian and military authorities.

In addition, several cultural, artistic, and athletic events were held at which various population groups expressed their profound gratitude to the glorious Alids throne for its tireless efforts in behalf of our country's well-being.

TUNISIA

Increased Investment in Date Industry Urged

92AF0194C Tunis LE TEMPS in French 30 Nov 91 p 3

[Article by TUNIS-AFRICA PRESS AGENCY: "Maghreb Seminar on Date Industry"]

[Text] Tozeur—Yesterday morning in Tozeur, Agriculture Minister Mouldi Zouaoui presided at the opening session of a Maghreb-wide seminar on the date industry organized by the Maghreb committee on citrus and early fruits (COMAP).

The minister took the opportunity to underline the importance Tunisia gives to the building of the Maghreb and the unremitting efforts made by the head of state to lay a solid foundation for the realization of Maghrebian complementarities.

The seminar, which represents one facet of that activity, will examine ways to improve the date sector, which is an economic component of all the Maghrebian countries.

In that connection, the minister noted the efforts made by Tunisia to create favorable conditions to promote this sector, which is the main agricultural resource of the Saharan regions, in addition to its contribution to the consolidation of exports. The minister pointed out that dates account for 5.4 percent of the country's domestic product.

He also reviewed various measures taken to encourage the agricultural sector, including public-works projects to bring water to oases. Over the last decade, 200 million dinars [D] was allotted for drilling 147 deep wells, bringing water to 7,000 hectares of land at old and new oases, and irrigating 1,000 hectares of new land around surface wells.

Mr. Mouldi Zouaoui also emphasized the need to rationalize water consumption in agriculture, noting that his department has developed a comprehensive strategy for water conservation to ensure the future of agricultural activity in Tunisia and consequently to improve the living conditions of the growers.

The minister also announced the launching of a date-palm rejuvenation plan, which involves creation of a center specializing in research on palms with a view to promoting the improvement of Tunisian dates.

Discussing efforts made to organize the date-growing sector, Mr. Mouldi Zouaoui announced a revision of the status of the Interoccupational Date Group (GID) to give this organism the financial resources needed to energize its activity and enable it to manage distribution channels and introduce modern growing techniques.

Mr. Mouldi Zouaoui also announced that Tunisian date exports brought in about D40 million per year during the 7th Plan, compared to D19 million per year over the period of the 6th Plan.

The agriculture minister also discussed the need for serious work on comprehensive land reform, in order to limit parcelling of land into excessively small plots, urging the growers concerned to redouble their efforts to increase production and productivity.

In conclusion, Mr. Mouldi Zouaoui exhorted the participants representing Maghrebian grower organizations to work to safeguard the resources of the date sector, and by means of increased research activity to improve seed quality and fight against diseases such as "bayoudh" [mildew?]. The minister also called for greater coordination of efforts by Maghrebian countries to make qualitative and quantitative improvements in production.

UNITED ARAB EMIRATES

General Studies Purchase of Soviet Fighters

92AE0014C *Al-Shariqah AL-KHALIJ in Arabic*
8 Nov 91 pp 1, 9

[Article by Ra'id Barqawi: "International Aviation, Defense Fair; Muhammad Bin-Zayid: 'UAE (United Arab Emirates) Studies International Offers To Purchase New Fighters; We Haven't Made Our Decision Yet; World Arms Market Is Free, Open'"]

[Excerpts] Staff Major General Pilot Shaykh Muhammad Bin-Zayid Al Nuhayyan, the deputy chief of staff, has said that the government is studying Soviet offers to purchase Sukhoi and MiG fighters.

During his visit to the 1991 International Aviation and Defense Fair in Dubayy, which ended yesterday, he added that no decision to conclude purchase contracts has been made yet. [passage omitted]

In a statement to AL-QUWWAT AL-JAWWIYAH [AIR FORCES] magazine, which has been publishing a daily supplement on the fair, the deputy chief of staff added that "after the offers made by these companies are examined, purchases will be made according to the Armed Forces' needs, from either the East or the West, because the world arms market is free and open to all."

Staff Major General Pilot Shaykh Muhammad Bin-Zayid noted that other countries have concluded contracts with the companies exhibiting at the 1991 Dubayy fair. As for the UAE [United Arab Emirates], nothing of the sort has happened. He noted that when any arms deal is concluded, it will be announced immediately.

Soviet Deputy Aviation Minister Vladimir Laptev, who has visited the aviation fair, has noted that the UAE is currently studying the capabilities and merits of Soviet fighters and are perhaps considering future purchases. He said that some Gulf states are examining the possibility of purchasing sophisticated MiG and Sukhoi fighter planes, but he did not mention these states by name. [passage omitted]

He expressed regret for the lack of information among Gulf officials on the capabilities of Soviet military aircraft. He expects that prominent Gulf officials will visit

Moscow shortly to discuss the possibility of establishing joint investment projects in the area of aviation and defense.

Engineer Kastroyskiy, the chief designer of the Soviet MiG-31 planes, has said that his country's delegation "acquainted military officials with the merits of Soviet fighters in the past two days." He expressed hope that the GCC [Gulf Cooperation Council] countries will play a role in Soviet Government projects to develop new types of MiG fighters. However, Kastroyskiy declined to reveal what new types the MiG Company plans to produce in coming years. He was content to say that they will be amazing fighters by all criteria.

Vladimir Babak, designer of the Soviet Sukhoi-25 fighter plane, has announced that he has completed designing the Sukhoi-34, a new type of fighter. He said that this giganitic, multi-purpose fighter will be introduced into service in the Soviet Air Force at the outset of 1992 and that 25 of this model of fighter have been produced for the purpose. He noted that the plane was tested effectively in Afghanistan recently.

He pointed out that this fighter, called the "tank hunter," is capable of destroying 17 fixed and mobile targets, and that it enjoys extraordinary maneuverability in the air. He also noted that the fighter can carry out more than 25 combat sorties daily.

Engineer Babak, the 54-year old chief designer at the Soviet Sukhoi Company, has noted that production of the Sukhoi-34 is tantamount to a new revolution in the military aviation world. He expects that this model will create an enormous reverberation in the world of the military aviation industry.

Responding to a question on whether the Soviet Government permits the sale of these aircraft to other countries, he said: "It is possible to sell the Sukhoi-25, provided that the deal involves no less than 12 aircraft, because of the difficulty of securing crews, services, and maintenance for small deals." He noted that the price is \$12 million per plane of this model, noting that the Sukhoi-25 truly rivals the Tornado, a British fighter.

However, he noted that the Sukhoi-34 fighter will not be offered for sale by virtue of its strategic importance to the Soviet Air Force. In his statement to AL-QUWWAT AL-JAWWIYAH, Engineer Vladimir Babak announced that he has completed the necessary blueprints and designs for producing the most modern fighter in the world, a Sukhoi-37. He said that this mighty fighter will enter into service at the outset of 1997, noting that its engines and delicate parts have been manufactured and that it has been tested successfully. He pointed out that this Sukhoi-37 fighter can destroy 25 fixed and mobile targets and is capable of carrying out a similar number of sorties daily.

He refused to compare it with the fighters produced by the West and was content to say: "I expect nothing to match it in combat capability, maneuverability, and multiplicity of missions." He said that the reason for the

delay in producing the Sukhoi-37 is the difficulty of securing the funds necessary to finance this gigantic project. He proposed that the GCC countries embark on joint investment projects in the area of air industries.

Answering a question on the technology employed in the production of Sukhoi fighters, he said: "It is 100-percent Soviet technology in order to preserve the complete confidentiality of the production of these fighters." He also said that they operate inside the Soviet Union only and have not been acquired by any other country.

WESTERN SAHARA

Hadrami, Delegation Address London Press Club
92AF0227B Rabat L'OPINION in French
13 Dec 91 p 4

[Text] "The Saharan problem is in its final hour," said Mr. Omar Hadrami, one of a delegation of former officials from the Polisario [Popular Front for the Liberation of Saguia el Hamra and Rio de Oro] who visited London where they held a series of meetings with members of Britain's Parliament, opinion leaders, and journalists from Britain and other countries of the world. The delegation of former Polisario officials, all of whom now live in Morocco, included Messrs. Maa El Aynin Mrabih Rabbou, Abderrahman Ould Libeck, and Mohamed Salah Tamek.

Mr. Hadrami was speaking at a press conference on Tuesday at the Foreign Press Club in London. In his introductory remarks, he explained that the purpose of the delegation's presence in the British capital was to clarify the current situation in the Sahara and to talk of improvements in the lives of the population of the Saharan provinces.

He described the Saharan problem as the product of a colonial state of affairs that turned sour, exacting a human toll. "But it is heartening to note," he continued, "that in the wake of the changes that have occurred in the world as a whole and in the Arab Maghreb in particular, the Saharan problem is in its final hour."

"The Maghreb has taken shape," he explained, going on to highlight Morocco's efforts to develop its Saharan provinces and the way in which the residents of the provinces manage their own affairs. He noted that 12 members of the House of Representatives are Saharawis, two of whom are vice presidents [deputy speakers] of the House, and that natives of the Saharan provinces hold positions in the Moroccan Government.

Mr. Hadrami remarked that the king's appeal has received an extraordinarily favorable response and that a large number of Saharawis have returned since the generous royal initiative was made. In 1988, he continued, the camps of Tindouf experienced their own version of the "Intifada" as Saharawis of Moroccan origin rebelled, creating a social and political split inside the Polisario. Authentic Moroccan Saharawis—from El Aaiun, Dakhla, Boujdour, Semara, and elsewhere—came to the realization that their future lay with

Morocco, while the others adopted an extremist attitude because they have the alternative of returning to their countries of origins if their separatist venture fails.

He also noted that the so-called minister of defense of the phantom SDAR [Saharan Democratic Arab Republic], Mohamed Lamine Bouhali, was a soldier in the Algerian Army and that Polisario's representative in London, Lamine Baali, who hails from Tindouf, studied in Bechar before joining the separatist movement, which then sent him abroad to complete his studies. Lamine Baali and the so-called president of the SDAR, Mohamed Abdelaziz, are married to the daughters of a former mayor of Tindouf. Hakim Ibrahim and his associate Mohamed Khaddad are both Mauritians.

"Those who came from the Moroccan Sahara understood what was at stake and decided to return home."

Speaking of his own return to Morocco, Mr. Hadrami related: "When King Hassan II made his historic appeal, I did not hesitate to answer it, because it had been clear since 1985 that the Saharan question could never be settled militarily—only politically."

After he enumerated the great progress made in many areas to the benefit of the Moroccan citizens of the Saharan provinces, Mr. Hadrami spoke of the return of the Saharawis to their relatives, calling it a difficult and dangerous operation as not a single family remains united in the camps. The men are separated from the women. The children are educated either in Algeria or overseas, and those who study in Cuba do not return to the camps until they have completed their studies."

He also spoke of the totalitarian practices employed by the Polisario which, he said, has been forced in reaction to the opposition against it to entrust the command of its military structure to mere "soldiers" who are incapable of understanding the changes now at work. These soldiers, he explained, still cling to the invalidated ideas of the past, which has made the Polisario almost suicidal in its resistance to change.

Mr. Hadrami recalled that King Hassan II had received a Polisario delegation in Marrakech. He remarked on the intransigence of the enemy as it demanded the impossible at a time when Morocco was in a position of strength, already in control of much of the territory.

"It was they who should have been responding to Morocco's demands. Their negative attitude demonstrates that they are neither realistic nor capable of understanding the new realities of the international political order. They were blinded by their separatist euphoria," said Mr. Hadrami, adding that those who are being held against their will in shameful camps place great hope in the referendum as it is the only way out for them. They are anxious to return to their motherland, Morocco.

"Entire units have been mobilized for the sole purpose of rounding up 'deserters' because they do not want to be humiliated in front of international observers," said Mr. Hadrami. He reported that a state of alert was declared

four days ago in the Polisario's camps and that the Polisario has banned all travel.

Mr. Hadrami reminded the audience that the United Nations peace plan has been launched and that Morocco was the first to comply with the cease-fire that went into effect on 6 September. MINURSO [United Nations Mission for the Organization of a Referendum in the Western Sahara] has more than 600 people working in the region, he stated, and more than 300 of them are military personnel. He noted that there is close cooperation between MINURSO and the Moroccan authorities.

With regard to voter registration, Mr. Hadrami drew from the history of the region to explain the complexity of the task, pointing out that the Saharan population has not known stability for more than a century. The most devastating event, he said, was the military operation "Ecouvillon" launched by France and Spain against the Army of Liberation, which was fighting the Spanish colonizer. France, he said, wanted at all costs to turn the Sahara into a buffer zone between Morocco and Mauritania, even going so far as to promote the idea of an independent state spanning the entire Sahara. "Without France, Spain would have been expelled from the Moroccan Sahara in 1958," Mr. Hadrami added.

But the situation has changed, he said, and it is time that we moved beyond these historic problems. "That is why we seek stability for our fellow citizens who have lived without it for more than a century. We would not have made so many sacrifices for a utopian dream or to be manipulated by others," he declared.

Semara Inhabitants Comment on Referendum

92AF0227A Rabat *L'OPINION* in French
11 Dec 91 pp 1,3

[Article by Fatima Belarbi: "Semara as a Symbol"—first three paragraphs are *L'OPINION* introduction]

[Text] Semara, the capital of a province of the same name, is known for the religious and strategic roles it has played in the history of Morocco. A small town in the days of Spanish occupation, Semara has become a modern city of more than 35,000 residents. To be sure, Morocco has invested a great deal in programs for the city: intensive urbanization, electrification, drinking water supply, etc.

This city with an illustrious past has lost none of its determination and will to fight for the country's territorial integrity: Its residents are in favor of the referendum, but only if all Saharawis from the Moroccan Sahara are allowed to vote.

Present-day Semara would surprise those who have not seen it since it was recovered by Morocco. Like the other cities of the Moroccan Sahara, Semara has experienced remarkable development.

The province of Semara is not the flat terrain that its desert setting would suggest: Its eastern sector is made up

of vast expanses of rocky hills, while predominantly sandy stretches lie to the west.

Its capital grew rapidly into a city as a result of local population growth and an influx of new residents from other locales: Tan-Tan, Guelmim, Ouarzazate, and Tata. The population of Semara is now more than 35,000, not including the new camps that shelter thousands of people who arrived here (primarily from Kelaat, Sraghna, Marrakech, and Chichaoua) to vote in the referendum.

Semara has played a significant role in the history of Morocco. In trade between the country's north and south, it held a prominent position. Strategically, it served as a rear base in the struggle against colonial penetration of the Moroccan coast. In addition, it became influential as a religious, cultural, and political center after the Zaouia Maa El Ainine [a center for Islamic teaching] was built. Although the center was largely destroyed by the colonialists, its remains are a reminder of its importance. There is one regret: Nothing has yet been done to restore the Zaouia, which played an undeniably important role in the struggle against the foreign occupier.

We traveled to Semara where we met a number of residents and camp dwellers. They willingly spoke to us about their past, their present lives and their thoughts about the future.

Mekkaoui Abdeslam of the Ouled Bensbaa tribe arrived here from Sid El Mokhtar, near Marrakech. "In 1950," he told us, "we left this region because of the drought and colonial repression."

"My parents, who were born here, were followers of Cheikh Maa El Ainine, and they were driven out by colonialism, which kept them from going beyond Oued Noun (the area of Guelmim). Unable to return to Semara, they settled near Marrakech. Obviously, I was not included in Spain's 1974 census, even though I am from the Moroccan Sahara. I have come here to vote in the referendum that will prove that the Sahara belongs to Morocco."

Balid Hassana Ould Mokhtar Ould Sidi Hamoud (of the Reguibat Bouihat tribe) was born in Assa to a nomadic family. "We were not here when the Spanish census was being taken," he told us. "On the other hand, my brother, who was in Semara at the time, was included in Spain's count. That gives you an idea of how the census was conducted."

Boulamghan Bilal Ben Barek was born in Semara. "In 1960, I left this region to live in Agadir," he told us. "Even though my entire family is buried in Semara, I am not included in the Spanish census. They (the Spanish) counted only those they wished to count. But I, too, have a right to vote."

Ahmed Lboughali Ould Ahmed was born in Semara in 1930. He never left the region. "We have always been Moroccans," he told us. "My ancestors are buried in several Moroccan cities and one of my ancestors is Moulay Abdeslem Ben Mchich. We fought the French

across the entire territory, even as far as northern Mauritania. My father fought in several battles, including the battles of Ahmeim."

"Our goal was to drive the colonizer out and free the country. We obtained supplies in Essaouira. The currency used in those times was the Hassani. With that, what doubt can there be about our origins?"

"The south had nothing but its livestock to live on. The rest came from the north of Morocco. There have always been commercial and political ties to Morocco."

"When the Army of Liberation was formed, many in the Reguibat tribe joined it, fighting as far south as Tagal in Mauritania to defend the Moroccan identity of the Sahara."

"We followed orders from the high command of the Army of Liberation, which was made up of people from the north. Weapons also came from the north. I can tell you that in one way or another, all the Saharawis took part in the fight against the occupier of the Moroccan Sahara."

On the subject of the Spanish census, he said, "It is true that Spain's census is incomplete and we are in a good position to know it. The Spaniards omitted the nomads, and so you will find that some members of a family are included while other members of the same family are not. How can we accept that?"

Dadah Ould Boumrah Ould Salah, who belongs to the Reguibat tribe (the Jenha division), began by telling us that Moulay Driss and Moulay Abdeslam Ben Mchich are ancestors of his. "I fought in the north, south and east

of the region for the liberation of these Moroccan territories and the reunification of the country. I fought until Mohammed V returned from exile."

"When the French deported Mohammed V, the fighting began in Oum Lahchar (near Guelmim).

"Other battles were fought in Marrakech, Chemame (Adrar-Mauritania), Teguel, and Stel where 12 Moroccans died. I fought in all these battles under Ben Hamou."

"The entire region was stirred up. We were firmly determined to drive the occupier out. There was fighting everywhere: in Seni, Reghioua, Oumat Lemham, Tamlalet (near Gueltat Zemmour), in Argoub (twice), Blad, Ramane, Ichief, Oued Jenaa, Touaf, Dcheira, Trig, Sadraa, Roda (twice), and Oudenfa.

"For a three-month period, all the towns in the Sahara were free thanks to the courage and determination of the Army of Liberation. Then the French and the Spanish launched "Operation Ecouvillon" heavily bombing the territory without sparing humans or cattle. We stopped putting up our tents for fear of being spotted, and we survived, despite their strength and all their weaponry, because nothing could match our faith in our country. We have always said that we are Moroccans and that the Sahara is Moroccan. Nothing will ever change that."

"The Spanish census is obviously invalid. I have several close acquaintances originally from this region who settled in Rabat or Tan-Tan or Mauritania. Some even live in the Canary Islands. But they were never counted in the census. If there is to be a proper referendum, everyone from the Moroccan Sahara, wherever they may be, must be allowed to vote, even the members of our families who are now living in the camps."

BANGLADESH**Rules for January Elections Announced**

92AS0400A Dhaka *THE NEW NATION* in English
4 Dec 91 p 8

[Text] The Election Commission yesterday announced that 110,000 returning officers throughout Bangladesh would accept on 7 December nomination papers of intending contestants for the forthcoming elections to the Union Parishads.

The election to the Union Parishads throughout the country on the basis of direct adult franchise will be held from 14 to 25 January.

The commission appointed thana level officers as the returning officers who would accept the nomination papers in their offices from 10 am to 5 pm on the day.

Enlisted voters in each ward would be able to propose or second the candidature of anyone qualified to be elected as chairman of a union parishad, the commission said.

Likewise any voter in a ward would be able to propose or second the candidature of anyone qualified to be elected as member of the Union Parishad.

The voters would elect a chairman and nine members in each Union Parishad. Each union has three wards and three members would be elected from each of the wards.

Each voter can propose or second the candidature of one for the chairmanship and three for membership, the commission announced.

The Election Commission also said that no one is entitled to simultaneously contest for the chairmanship and membership.

If anyone submitted nominations for both chairmanship and membership both the nominations would be invalid it added.

An intending candidate can himself or his proposer or the seconder can submit the nomination paper to the Returning Officer on 7 December during the stipulated time.

Each candidate would be required to deposit Taka 1,000 as security money for chairmanship and Taka 500 for membership.

The election commission said that the candidates would have to enclose with the nomination paper the bank receipt or receipt of the Returning Officer or the Treasury Chalang Against the Deposit. Otherwise, it said, the Returning Officer would not accept the nomination papers.

Solutions Urged in Volatile Chittagong Hill Tract

92AS0232A Dhaka *SANGBAD* in Bengali 28 Oct 91 p 4

[Article by Matiur Rahman: "Give Attention to the Chattogram Hills"]

[Text] On last 22 October, again general amnesty was declared for the armed terrorists of Chattogram hills.

Major General Mahmudul Hasan, GOC [General Office Commanding] in charge of Chattogram region, made this declaration. The Peace Corps rejected this declaration immediately. And at the latest, Dipankar Talukdar, member of the Jatiya Sansad (Parliament), elected from the hilly district of Rangamati, made a statement. He said that the general amnesty would not help solving the political problem without creating an atmosphere of political negotiation aiming at the solution of the problems of Chattogram hills. He further pointed out that this declaration (amnesty) does not carry any fruitful meaning as there was no discussion about an important national issue like this in the Sansad and the whole thing has taken place avoiding the Sansad. This problem must have to be solved in the process of a democratic manner. Dipankar Talukdar was right by drawing the attention to the importance of the long lasting and complicated problem of Chattogram hills and by stressing the necessity of including it in the discussion agenda of the Sansad. But why such an important, controversial and widely discussed issue inside the country and abroad is not taken up for discussion in the Sansad? A quick answer to this question would be—the government is not willing to bring the matter for discussion in the Sansad. It is the duty of the government to inform about the latest situation of the problems of Chattogram hills and before adopting a new policy or program for the solution of the problem, they should inform the Sansad. But they did not do that. But what are the opposition parties doing? They are also not taking any initiative to discuss the problem in the Sansad. Awami League and the other opposition parties are discussing many other small and big matters in the Sansad and sometimes they are able to drive the government into the corner by their criticism. The question is why they are not taking the issue of the Chattogram hills? Does the matter have any special point of sensibility? If that is there, is it possible to solve the problems of Chattogram hills keeping it out of the hands of the Sansad? In the past, more than one autocratic governments took many steps keeping the people in darkness. They wanted a military solution of the problem, but never succeeded.

What the three elected members of the Sansad from the Awami League, who were elected from the hilly districts, are doing? Dipankar Talukdar of Rangamati made the statement to the press, which he could have done in the Sansad. Two lengthy sessions of the Sansad had already been completed. The third one is going on now. Why are they not saying anything about it? For this, the foreign diplomats might think that there is no problem in the Chattogram hills and everything is quiet there. If there were really any problem, was it possible for the elected members of that region to keep silent?

This kind of logic might silence the foreign diplomats, but we know for sure that many complicated problems are existing in the three districts of Chattogram hills. Due to the democratic atmosphere of the country, it is known from the reports published everyday in different newspapers that the situation in the three hilly districts

of Chattogram—Rangamati, Bandarban and Khagrachhari—is not normal. The reports of the terrorist activities of the Peace Corps come out very often. The news of the killing of the members of the Peace Corps also comes out in the reports. The report of the surrender of their members are also published in the newspapers. One thing is clear from this that the government's military and other law and order keeping forces are remaining very active. They are not only involved in the security affairs, but also involved in almost all the activities of the hilly districts. The GOC in charge of the region of the armed forces is the Chairman of the Development Board of Chattogram hills.

Along with the terrorist activities inside the country, another matter appeared to be an important problem—to bring back 30,000 Chakma refugees from the Tripura state of India. The government wants that India should stop helping the Peace Corps and send back the refugees by closing the camps. India said that it is the responsibilities of the Bangladesh government to make arrangement for the return of the refugees. Bangladesh failed to bring them back several times by sending delegations. The government alleged that the Peace Corps resist them to return and create problems, because, they want to keep the problem alive. Thus, the problems of the hilly districts are not remaining as a domestic problem, rather are taking the shape of a regional problem. It remains as a great problem for both Bangladesh and India.

Side by side to this big problem, recently reports came out in different newspapers that in the clusters of villages, created for the security reasons in the three hilly districts, 26,000 families are living in starving or semi-starving condition. Reports of deaths due to diarrhea are also published in the newspapers. The government said that the project of creating of these clusters of villages had been made to provide security to the tribal people who became victim of the attacks of the Peace Corps. But in reality, an interned living system had been created for the villagers living in these clusters of villages. They were taken out of their own homes, land and employments and made dependent on government relief. On the other hand, prohibition was implemented on cutting of woods which is the main source of income for the common people of this region. Though this prohibition was not declared from any government department, but it was implemented. Fishing is also prohibited for them. In this way, the natural lifestyle of the tribal people is halted which is creating many problems of their everyday life. They want the end of all these.

The movement and struggle of the people of Chattogram hills got international publicity. Due to the pressure of the foreign countries, which send aids to our country and express their anxiety for a long time for the violation of the human rights, the previous governments stopped the rehabilitation program for the non-tribal people and took up some development program in different fields. On the other hand in February, 1989, the government decided to organize 'Local Governing Board' by giving it responsibility for 22 different matters for the three hilly

districts. Three years have already been passed for this Local Governing Board which was formed by the members directly elected by the local people. But until now, they were not given the power to act on other important matters except primary education, agriculture, health and family planning. They are not getting full cooperation from the government. Besides Local Governing Board, there are two more authorities in those three hilly districts—the district administration and the military authority. All these three different authorities are involved in different capacity in almost all the matters of these districts. As a result, some problems of coordination had been created in the matters of local administration, development activities and on the question of maintaining law and order. All the local authorities had to act according to the decision and policy of different ministries of the government. Moreover, at the time of previous government, a special ministry had been created to look after the underdeveloped areas including Chattogram hills. Later, this ministry did some real work mainly for the Chattogram hills under the administration of the President and now under the prime minister's secretariate. But due to the lack of clarity in the distribution of work, controversy with other ministries on the question of duties and responsibilities, and mainly due to the want of manpower, this special ministry is unable to work effectively. For this reason, many different kinds of problems arose among different ministries, departments and local authorities on the matters of district administration, development and law and order for the over-all administration of the three hilly districts of Chattogram. If these problems are not solved in a speedy manner, it is not possible to solve the problems of these three hilly districts.

The people of the nation are kept in almost darkness about the existing complicated problems of the three hilly districts. Not only the matters of the present, many things are still unknown about the past. Not only the government, the democratic opposition parties are also keeping silent about it. Their activities are limited in making some occasional statements and adopting some resolutions. Much information is now known from a recently published book (Tin Parbatya Jelar Sthaniya Sarkar Parishad Byabastha: Aitihasik Prekshapat O Bastabata, i.e., The Local Governing Board System of Three Hilly Districts: The Historical Perspective and the Reality) about the terrorist activities in the Chattogram hills during the periods of former governments, the rivalry and riots between the tribal and the non-tribal people, communications between the government and the Peace Corps and the tribal leaders, and about the different policies of the governments. The writer of this book is Jnanendu Bikash Chakma. The author himself is a member of the Rangamati Local Governing Board. The book was published by the Rangamati district's Local Governing Board and the book came out last July. A clear picture comes out from this book not about the past only, but also about the present problems of the hilly districts. It should specially be mentioned that the book has sufficient informative discussion about the present

standing of the People's Integration Association (Peace Corps) and their demands and also about the problems of the Local Governing Board. Jnanendu Bikash Chakma believes that the Local Governing Board is not the ultimate solution of the problems of the hilly region. But they consider it as an alternative path of the bloody armed movement, which lasted for more than a decade, and as a solid and important step to solve the problems. They still have faith in it.

Though the problems of the Chattogram hills were not discussed with that much importance within the country, these problems were raised and discussed several times in the important international forums like the Human Rights Commission of the United Nations, International Labor Organization (ILO), etc. Many countries, specially the EEC countries and the human rights organizations express anxiety about the condition of the Chattogram hills. Even the Bangladeshi delegation faces numerous questions regarding this matter in the annual meetings held at Paris of the consortium of the countries which send aid to Bangladesh. Last May, one human rights group based in Denmark and Holland, published a report taking a tour of the three hilly districts during 8 December to 2 January. Their report 'Life Is Not Ours' has been discussed in the meeting of the Human Rights Commission of the United Nations held at Geneva. Now, the government planned to prepare a counter report against the one made by that international group. This again proved the fact that the government is more interested to inform the foreign countries about the real condition of the hilly districts than informing its own countrymen. Nobody expects that a democratically elected government would in the same manner as done by the previous governments. Today, everyone has accepted the fact that an abnormal situation is existing in the hilly districts. The solution of this long-lasting and complicated problem would be found in the path of a democratic and political method. And this could be done by not suppressing the facts to the countrymen, but through raising a national consensus and by taking the Sansad in confidence. Recently, it had been noticed that the People's Integration Association (Peace Corps) and few other circles are trying to keep the situation of hilly Chattogram restless and heated. Many meetings and conventions are taking place with that objective in different parts of the country including Dhaka and hilly Chattogram. The government, the opposition parties and all the democratic forces should keep a careful watch on this matter.

It is essential for the government to take more initiative to solve the long-lasting problems of the hilly Chattogram. To reach that goal, attempts should be made to bring back the Peace Corps from the path of terrorism to constitutional politics, to try to bring back the refugees who are living in India. To achieve all these, a powerful committee should be formed consisting of the members of the government and the opposition parties of the Sansad. Some steps may be taken, such as, offering more cooperation to the Local Governing Board and the responsibilities of administration and development of

these hilly districts might be handed over to it. By following this policy, the whole situation in this region might move toward normalcy. There is no other alternative to solve the problems except adopting political and realistic steps accepting the fact that it will not find a quick solution. This can be said from the experience of the last decade. Specially, all the members of the three districts must come forward. It is not possible that democracy and economy would flourish in the whole country while abnormal and rebellious situation prevail in one-tenth of the country. In the interest of the progress of democracy and the development of political and economic condition of the whole nation, it is essential to solve the problems of Chattogram hills. We, therefore, want to draw the attention of everyone to the problems of Chattogram hills.

Statistics on Seizure of Smuggled Goods

92AS0394A Dhaka *THE NEW NATION* in English
14 Nov 91 p 11

[Text] Satkhira, 13 November—Huge quantity of smuggled goods worth about Taka[Tk]533,38,82,500 was recovered by the BDR [Bangladesh Rifles] personnel of nine border stations under Khulna BDR sector during the period from 1972 to October 1991.

According to BDR sources, in 1972 smuggled goods worth Tk 92 lakh 58 thousand 5 hundred were recovered from different border areas under Khulna BDR sector. 5,129 cases were lodged with different police stations and 8,057 persons were arrested in this connection.

In 1973 smuggled goods worth Tk 1 crore 79 lakh 14 thousand 5 hundred were recovered by the BDR personnel during the period. Ten cases were also lodged and 6,593 smugglers were arrested during the period.

In 1974 smuggled goods worth Tk 1 crore 97 lakh 14 thousand were recovered by the BDR personnel during the period. 6,330 cases were lodged with different police stations and 8,245 persons were also arrested.

In 1975 smuggled goods worth Tk 2 crore 20 lakh 54 thousand 2 hundred were recovered by the BDR personnel during this period. 5,930 cases were lodged with different police stations and 7469 smugglers were arrested in this connection.

In 1976 smuggled goods worth Tk 1 crore 24 lakh 67 thousand 9 hundred were recovered by the BDR personnel during this period. 3737 cases were lodged with different police stations and 4,630 smugglers were arrested in this connection.

Smuggled goods worth Tk 1 crore 38 lakh 64 thousand 6 hundred were recovered by the BDR personnel during this period. 3,664 cases during this period were lodged with different police stations and 5,044 smugglers were arrested in this connection.

Smuggled worth Tk 2 crore 2 lakh 84 thousand 5 hundred were recovered by the BDR personnel during

this period and 4,616 cases were lodged with different police stations and 5929 persons were arrested in this connection.

BDR personnel recovered smuggled goods worth Tk 3 crore 68 lakh 12 thousand 7 hundred were recovered in the year 1979. 7510 cases were also lodged with different police stations and 6,500 persons were arrested in this connection.

In the year 1980 smuggled goods worth Tk 8 crore 23 lakh 15 thousand 9 hundred were recovered by the BDR personnel during this period. 6007 cases were lodged with different police stations and 4,939 persons were arrested in this connection.

In 1981 smuggled goods worth Tk 7 crore 23 lakh 15 thousand 950 were recovered by BDR personnel during this period. 5837 cases were also lodged with different police stations and 4,348 persons were arrested in this connection.

In the year 1982 smuggled goods worth Tk 5 crore 96 lakh 95 thousand 750 were recovered by the BDR personnel during this period. 5,359 cases were lodged with different police stations and 4,439 persons were arrested in this connection.

In the year 1983 smuggled goods worth Tk 10 crore 14 lakh 66 thousand were recovered by the BDR personnel during this period. 8,316 cases were also lodged with different police stations and 6,593 persons were arrested in this connection.

In the year 1984 smuggled goods worth Tk 13 crore 73 lakh 50 thousand 5 hundred were recovered by the BDR personnel during this period. 9,119 cases were lodged with different police stations and 5,683 persons were arrested in this connection.

In the year 1985 smuggled goods worth Tk 24 crore 57 lakh 71 thousand 2 hundred were recovered by the BDR personnel during this period. 8,683 cases were lodged with different police stations and 4,663 persons were arrested in this connection.

In 1986 smuggled goods worth Tk 26 crore 99 lakh 54 thousand 9 hundred was recovered by the BDR personnel and 3,492 persons were arrested in this connection and 9,921 cases were lodged with different police stations.

In 1987 smuggled goods worth Tk 33 crore 24 lakh 86 thousand six hundred were recovered by the BDR personnel during this period. 9,412 cases were lodged with different police stations during this period and 4,122 persons were arrested in this connection.

In 1988, smuggled goods worth Tk 49 crore 72 lakh 57 thousand one hundred were recovered by the BDR personnel during this period.

10,177 cases were also lodged with different police stations and 4,795 persons were arrested in this connection.

In the year 1989, smuggled goods worth Tk 123 crore 25 lakh 52 thousand 250 were recovered by the BDR personnel during this period. 13,737 cases were lodged in different police stations and 4,379 persons were arrested in this connection.

Smuggled goods worth Tk 125 crore 20 lakh 50 thousand 2 hundred were recovered in the year 1990. 10,531 cases were lodged with different police stations and 4,130 persons were arrested in this connection.

In the year 1991 up to the month of October smuggled goods worth Tk 102 crore 21 lakh 45 thousand 5 hundred were recovered. 8,743 cases were lodged with different police stations and 3,957 persons were arrested in this connection.

Thus a total of about Tk 533 crore 38 lakh 82 thousand 2 hundred was recovered by the BDR personnel since the emergence of Bangladesh and a total of 14,40,406 cases were lodged in different police stations of Khulna BDR sector and a total of 1,07,997 persons were arrested by the BDR personnel. It may be mentioned that same persons might be arrested in different cases after coming out from the custody either by bail or after trial. So, the actual number of smugglers arrested could not be ascertained.

INDIA

JKLF Commander Interviewed on Plans, Prospects

92AS0182A Islamabad HURMAT in Urdu
19 Oct 91 pp 2-6

[Interview with Sayyed Abdul Hamid Diwani by Sarfaraz Malik and Khalid Sayal; place and date not given]

[Text] Sayyed Abdul Hamid Diwani is the man who has spent his whole life as a proud Muslim on freedom of his motherland, Kashmir. He always wears the uniform of a freedom fighter. Sayyed Abdul Hamid Diwani hails from occupied Kashmir. When he was still a child he learned that his motherland was in India's slavery and he restlessly wanted to do something about it. The way Sayyed Abdul Hamid Diwani has suffered for his beloved country is a separate story. At various times he spent 13 years in jail.

He established a military force by the name of "Alfatah" that was so successful that the worried Indian Government jailed Sayyed Diwani along with his 1,200 Alfatah members. When he was released, he hijacked an Indian airplane in September 1976 in order to get the attention of the world to the Kashmir problem. At that time, Zulfikar Ali Bhutto headed our government. Mr. Diwani is still unhappy about the way Mr. Bhutto treated him. Last year we published an interview with Sayyed Abdul Hamid Diwani. The second part of that interview could not be published because Mr. Diwani was very busy. We are presenting the second part of Mr. Diwani's interview, which contains details of the plane hijacking and the present situation in occupied Kashmir (Editors).

[HURMAT] A few years ago, we had published an interview with you in which you told us about the situation in Kashmir and about your life. We shall begin from where we left off. Please tell us at what stage is the Kashmir freedom movement now and when will we see its results?

[Diwani] The truth is that the people of Kashmir have been expressing their hatred toward India since 1947. No one seemed to realize that this lava was secretly smoldering and creating a campaign that would be very difficult to contain later.

India tried very hard in the beginning to settle Hindus in Kashmir and then talked about a referendum. However, under the Kashmir law 170, non-Kashmiris, including Indians, cannot buy real property there. If one buys real property, he cannot keep it for more than one year. Of course they can buy another house a year later, but one cannot live in the same house continuously for two or three years. Thus, India failed in settling Hindus in Kashmir. The people in occupied Kashmir finally were convinced that neither the United Nations nor the Islamic countries could help them get freedom. No other country was willing to risk helping us. Therefore, the people of Kashmir took the matter in their own hands and now India is very agitated. The situation is so bad that persons returning from Kashmir have told us that the Indian soldiers are selling their guns to the mujaddidin. The Indian soldiers ask for 500 or 600 or 1,000 rupees in exchange so they could return to their homes. They do not want to die. There occurred many incidents that show that the Indian soldiers are demoralized. By the grace of God, we will be able to win our freedom soon. The Islamic world has been thinking for the last two years that the Kashmir issue is an internal issue for India, however, the people of Kashmir have proved that this is neither an internal problem, nor a border issue. Rather, it is the problem of 12.5 million Muslims. It is a question of independence. We are fighting the war with the kafirs and for Islam; we are not fighting to protect personal interests. As far as I am concerned, Pakistan's foreign policy has been ambiguous about Kashmir. Opposed to it, India has informed the whole world as part of its foreign policy that Kashmir is its internal problem. This is not true.

[HURMAT] Mr. Diwani, in Pakistan and this side of the border, they have not decided whether the Kashmir issue be resolved with talks or its solution is a war. You have participated in the struggle for Kashmir's independence. Tell us, how can this issue be resolved?

[Diwani] If this issue was something that could be taken care of by talks, then it would have been solved by now. The United Nations has also passed resolutions for this and an agreement was also signed in Tashkent. A pact was agreed upon in Simla as well. Both India and Pakistan have said about the Simla Agreement that the Kashmir issue will be resolved according to it. India especially has referred to the Simla Agreement even after 17 years have passed since this agreement was signed. No progress has been made about Kashmir. I consider the

Simla Agreement like poison for the people of Kashmir. The Simla Agreement has changed the litigated area into a control line. The purpose of a "senior" fire line is to act as cease-fire line. In other words, that is a litigated area and requires negotiations. However, control line means that the area on one side is controlled by one party and the other side by the second party.

We have rejected this control line. We also have rejected the Simla Agreement. If this could be solved by agreements and talks then it could have been taken care of after all these pacts and talks. I do not have any faith in talks, the United Nations, the Simla Agreement, or any political solution. I have raised the gun now and will continue to fight this war for freedom as long as I live. This problem cannot be solved by political negotiations. Over 27,000 freedom fighters have been killed and over 200,000 Indian soldiers have been sent to hell. The Indian soldiers have become despondent now. We have to make our plans keeping in mind the present situation. The present situation in Kashmir is analogous to the situation in East Pakistan. India took advantage of it and changed East Pakistan into Bangladesh within 14 days. We are not complaining about Pakistan as we know it wants Kashmir to become its integral part. The people of Kashmir have always loved Pakistan, however, they also have some problems just like the Simla Agreement caused problems for Pakistan.

[HURMAT] Do you think that the Simla Agreement is hindering the resolution of the Kashmir issue or its being discussed in the United Nations?

[Diwani] This is a major hurdle. This agreement decided on a control line and said that this issue cannot be discussed at international levels. Recently, a conference was held in Istanbul, Turkey. The Pakistani deputation had not even arrived when the Indian delegate said that Pakistan has no right to discuss this issue here after the Simla Agreement because it was agreed that Pakistan will not raise this issue again in any international forum. This, according to the Indian ambassador, is "our internal affair."

[HURMAT] You hijacked a plane in 1976. What was the purpose of this action?

[Diwani] Yes. I spent 10 years in Indian jails and for what? I have been accused of being a Pakistani agent. My point was that if I talked against India or for our independence, then I was put in a jail for years and no one heard my voice. The world should know about this problem so that this issue is kept alive. Now that the freedom campaign in Kashmir is in full swing, the Indian Government has blocked coverage by the news media. I believe that we have to make efforts to inform the world about the Kashmir issue. We felt the need of hijacking a plane against a similar background. When I arrived at the Lahore airport, Sadiq Hussein Qureshi, chief minister of Punjab; Aitzaz Ahsan, food minister; Mubassar Husan, finance minister; and General Farman Ali Rao met with me for talks. I told them that I would go back and just wanted them to refuel the airplane. I did not

want to use Pakistan and was willing to go to another country for eight or 10 days in order to bring the world attention to Kashmir. At this Sadiq Hussein Qureshi said that Pakistan has been helping Kashmir for over half a century, had fought three wars over it, and Mr. Bhutto had declared his intentions to fight wars for a thousand years. He had asked why didn't I believe them after all this. I replied that the Indian Government and Indira Gandhi would accuse them of giving me more guidance and more ammunition. I told them that I did not want them to be blamed for anything and preferred that they just refuel the plane because I was out of fuel. I was all ready to leave after refueling. At that time, Sadiq Hussein Qureshi brought the Holy Koran. The three other persons—Mubassar Husan, Aitzaz Ahsan, and General Rao—were with him. Mr. Qureshi lifted the Holy Koran and asked me if I knew what it was. I was sitting on a seat in the plane and was feeling uncomfortable about the Holy Koran being lower than where I was sitting. It was an insult to the Holy Koran. I asked him to open the Book and that I knew it was the Holy Koran and I wanted to view it. He opened it at the sixth chapter. I felt guilty because they were my brothers and indeed they had been helping us for a long time, had fought three wars in our support, and Mr. Bhutto did indeed declare his intention to fight wars for a thousand years. It was not appropriate not to trust them in the presence of the Holy Koran. Sadiq Hussein Qureshi asked me to present my demands and they would try to meet them. I said that I wanted the U.N. secretary general to meet me in the Lahore High Court with U.N. Resolution 4884. I had four Indian chief ministers in the plane. They were the chief ministers of Rajasthan, Tamil Nadu, West Bengal, and Bombay. There were 83 persons in the plane. I asked that the U.N. secretary general meet me within six hours in the Lahore High Court as it takes only six hours to reach Lahore by a jumbo jet or F-707. I told them that I was going to take action after that time. I was to start with the Rajasthan chief minister. I was going to kill one chief minister each hour and throw his body out of the plane. If still no one came, then I was to kill the passengers one by one and throw their bodies outside the plane. I was planning to blow up the plane at the end.

He told me that he would make sure that I was not forced to do it. I had contacted Delhi airport as soon as I had taken control of the plane. Delhi did not know what had happened to the plane because when I had turned on the radio the Akashwani was announcing the news about a Boeing 707 plane's disappearance. I thought it was good for us if they were not aware of what had happened. When we were landing the plane at the Lahore airport, we heard the news announcing the hijacking of a Delhi-Bombay Air India Boeing 707 to Lahore by some terrorists. The news said that the Pakistan Government was instructed to help the hostages and release the plane. I laughed quietly when I heard how India was giving instructions to Pakistan. It is not an Indian state to which orders could be given. India should make a request instead. Soon after when we established contact with the Lahore control tower, the chief of the control

tower told me that Mr. Bajpai, the Indian ambassador, wanted to talk to me. I replied that it was fine with me if he so desired. I thought that another important person or another prey was coming into my hands. I already had four Indian chief ministers there and I was going to add an ambassador to the list of my hostages. This would be even better. The Indian ambassador came and stood about 20 yards away. I could not hear what he said because of the noise of the plane engine. I asked him to come closer and introduce himself. He said that he was Bajpai, India's ambassador and had come to see me. I asked him "why." He said that he had three questions for me. I asked him to present his first question. He asked me how many million rupees did I want for releasing the hostages. I replied that I was a freedom fighter and not selling my country. His second question was how the hostages were and if they needed anything. I replied that I had doctors traveling with the hostages. The doctors had been instructed to check the passengers if necessary. The passengers, of course, were worried and some had passed out from fear. His third question was about our demands. I told him that my demands will be made known to him and added that I had thought about making him a hostage, too. I added that I could make him a hostage any time, but did not want to commit any deed there that could give an excuse for Indira Gandhi to blame Pakistan. I told him to get away from me immediately. He ran away. I had told him that I had four important Indian people as hostages and could make it five if he joined them. I learned about their names and positions when I asked an associate to check the names and addresses of all passengers.

I told the passengers to tell their actual names and addresses so that their next of kin were informed in case the airplane crashed. I also warned them that anyone giving a false name or address would be shot and thrown outside the plane as a punishment. Everyone gave their real name and address out of fear. Rajasthan's chief minister, Gulab Singh, continued to beg for his life. I told him, "Gulab Singh, I know all of your tricks. There was another Gulab Singh who sold Kashmir and the Kashmiri people into slavery for 7.5 million rupees. Another Gulab Singh, which is you, is begging for mercy right in front of me." I told him that I knew all his tricks. I was telling you about Sadiq Hussein Qureshi. He came with the Holy Koran and pressured me. I thought that it was not appropriate for me to hide things from my brethren and presented my demands.

The first demand was that the U.N. secretary general come to Lahore airport with all the U.N. resolutions. The second demand was to release Maqbul Batt who was in Sri Nagar jail waiting for his death sentence to be carried out. I asked them to release him with his two associates and bring them to me. The third demand was to release all the freedom fighters suffering in Kashmir jails. Their names were to be made public. I was sure that they would not honor the third demand. They were not going to release the freedom fighters at all. If they did, then they were going to rearrest them immediately. They might just announce their release and now follow-up.

However, the other two demands were extremely important and they could fulfill those demands. India could not afford to get its 83 citizens killed. It had to get the secretary general along with the resolutions to us. This would have helped our cause greatly. The father of our nation, Quaid-i Azam Jinnah, said that Kashmir was his main jugular vein. If it was true then a lot of hard work should have been done to protect it. Why was not it done? All the former foreign ministers should have worked hard to protect Kashmir. In brief, I would say that our foreign policy did not follow Quaid-i Azam's wishes. The struggle and bloodshed of the mujahiddin in Kashmir taking place now will help us get our freedom. This bloodshed will show results.

[HURMAT] What happened to the demands?

[Diwani] What happened was that they delayed the secretary general, however, they did bring Maqbul Ahmed Batt to Lahore airport. He was taken back later. He was in Tihar jail at that time and was hanged later. Perhaps, they had produced Maqbul Batt to assure me that since they had brought him, they were going to bring the secretary general also.

[HURMAT] Your comments hint that your demands were not met. Why did you release the plane then?

[Diwani] Well, when the Koran was put in front of me and I was told that I was to meet Mr. Bhutto who was waiting for me in the lounge. They asked me to go there. Because they had produced the Holy Koran, I had to trust them. Had they talked to me without the Holy Koran, I would not have followed them. I still did not want to meet him and just wanted to leave after refueling. I was very impressed when the Holy Koran was brought in. I thought these are Muslim and since they were talking with reference to the Koran, they were going to talk about helping us. I went to the lounge thinking about this. The room in which they were waiting had a few sofas and some important people were sitting there. Some were in uniforms and some in civilian clothes. I was told that Mr. Bhutto was on his way. A few minutes later two uniformed and two plainclothes men went toward that other room. When the door opened I saw about a dozen plainclothes policemen there. Sadiq Hussein Qureshi was also there and so were Mubassar Hasan, Aitzaz Ahsan, and General Rao. They all stood up and welcomed me and told me to sit down on a sofa. I looked around and found that Mr. Bhutto was not there. I was told that Mr. Bhutto was there. I had the pistol in my hand because they had told me to be armed if I wanted to be. I said in protest, "You told me that Mr. Bhutto was here. He is not." Mubassar Hasan replied that Mr. Bhutto was on a trip and was on his way. He said that he also had a high-level position in the government as did Sadiq Hussein Qureshi who was sitting in front of me. He asked to start negotiations. I started to talk and then became suspicious that they might double-cross me. However, I remembered the Holy Koran and told myself that a Muslim could not deceive another after taking an oath over the Holy Koran. I would have been worried if there were kafirs who would deceive me

after an oath since they do not care for the Koran. A Muslim will never deceive after involving the Koran.

I explained in details the atrocities committed on the Kashmiri people from 1886 to 1966. A uniformed man was standing behind the sofa I was sitting on. He appeared to be a high-level official. He caught my hand and told me I was under arrest. I asked if it was an Indian airport. He replied that, no, it was the Lahore airport in Pakistan. I asked him if he was a Muslim. He replied in the affirmative. I asked him why was he doing all this then. He replied that it was what he had to do and that I was under arrest. The rest of the people left the room and the police came in. I said, "It was pathetic that you people have submitted to India so easily. India broke you up into two countries. India shot Pakistani soldiers in its camps and jails. You people vowed with the Koran in your hands. You are not very brave. Your 2,000 commandos have surrounded the airplane and you have arrested me using deception. If you are brave people, then you should fight openly and not betray me. You are not brave; you are cowards." Anyhow, I said whatever came to my mind at that time and felt that, except for Allah, no one was on my side in the whole world. They know well that I was doing all this as a protest against India. They should have helped me. If they did not want to help me, they should not have betrayed me. All I wanted was some fuel and they should have given me that and I would have flown to another country. The Muslim government of Pakistan did what India would have done to us.

[HURMAT] Did you decide to hijack the plane on your own or was it decided by a party or group? Who were the people who helped you hijack the plane?

[Diwani] I was associated with an organization called "Alfatah" in occupied Kashmir. You must have heard about "Alfatah." Pakistan Radio had given some good publicity to it. The Azad Kashmir Radio had especially given good coverage to "Alfatah." We had formed this organization under the leadership of Ghulam Rasul with its headquarters in a tunnel. It was a secret organization because such an organization could not be formed openly in India. We had obtained some weapons and stored them in the tunnel. We kept some of our associates in that tunnel. We had recruited 3,600 members. India learned about this tunnel somehow and raided it arresting 1,200 of our members. The remaining members spread throughout India. It is not appropriate to identify our associates. They are in India and India will victimize them. Therefore, their names should be kept secret. The five persons who had accompanied me were Ghulam Rasul Shahin, Sayyed Mohammed Rafiq, Ghulam Nabi Batt, Abdul Rashid Malik, and Mohammed Asghar. They are with me in Lahore. They were college students at that time and had joined the Alfatah organization. The question arose, who was willing to make such sacrifices. There were some top-notch mujahiddin there. I was ordered to lead this operation even though my son was only eight months old and my daughter was about two or two and one-half years old.

[HURMAT] You have been living in exile for the last 16 years. Is your wife still in Kashmir?

[Diwani] Yes, my wife and children are still in Kashmir.

[HURMAT] At that time your son was eight months old. Your daughter must be 20 years old now and your son must be about 17 or 18 years old.

[HURMAT] Do you have any contact with them?

[Diwani] Very little. At this time, I have no phone or mail contact with them.

[HURMAT] Have you tried to participate in the present freedom struggle in Kashmir?

[Diwani] God willing, this is what I would like to do. However, India uses my name to harass Kashmiri freedom fighters. It spreads the rumor that Diwani was seen there and sieges the whole valley. Every house is searched. Last year, India used the excuse of having seen me to raid the houses of all my relatives and harass them.

[HURMAT] You said that Pakistan did not help you during the airplane hijacking incident. God willing, Kashmir may become independent tomorrow. Will Kashmir be willing to join Pakistan after this incident? What is the opinion of the freedom fighters and the people of Kashmir?

[Diwani] The slogan for independence does exist, but it is limited to Azad Kashmir. There are but few people in Azad Kashmir who talk about it. However, I do not think you ever heard a slogan for independence in occupied Kashmir. Here they had a raid too, which made large headlines in newspapers. We do not hold the flags of the United States or Great Britain or China. The Kashmiri freedom fighters have only the flag of faith and they burn the Indian flag. The people in occupied Kashmir celebrate independence on 14 August to show their oneness with Pakistan and the Pakistani flag is flown by the people in Kashmir. We do not have cannons, therefore, we salute it with Kalashnikov rifles. We show off the Pakistani flag to the Indian armed forces.

NEPAL

U.S. Role as 'World Supercop' Attacked
92AS0401B Kathmandu THE RISING NEPAL
in English 1 Dec 91 p 4

[Article by P. Kharel: "Saying No to Supercop"; italicized words as published]

[Text] Washington in recent weeks has been dramatising and sounding tough notes against the perceived nuclear threat from North Korea and, through regular but selective press leaks, is hinting at possible military action if Pyongyang refused to open its nuclear facilities to international inspections and abandoned its N-ambitions. The timing of Washington's grim posture is significant in that the communist regime in Pyongyang can no longer

expect the fast fading superpower, the Soviet Union, to come to its rescue. Moscow is in its own mess—economic and political.

No Nuclear Ambitions

North Korea has denied that it has any nuclear ambitions, but there are strong suspicions that it is progressing towards a nuclear weapon. The UN inspection teams in Iraq having found enough evidence suggesting that Baghdad would have joined the nuclear club within two years if its troops had not been overwhelmed by the US-led allied forces earlier this year, Washington is worried deeply that one of the last communist strongholds might be close to building successfully a nuclear weapon.

US Secretary of State Dick Cheney toured East Asia earlier this month to convince his hosts about the "urgency" of the issue involved. The Washington-based International Security Council has pleaded US President George Bush to launch a commando raid on North Korea nuclear research installations. This all is clearly calculated to intimidate North Korean leaders in the hope that they would eventually concede to international inspections of their nuclear facilities.

An outright military attack, however, appears improbable at this stage. This is so not because the United States is strongly against the campaign as such but on account of the possible consequences. For the North Korean army is not as unprepared as Iraqi strongman Saddam Husayn's troops proved to be last winter. Also, a raid on the North Korean installations might not be able to muster the scale and type of support the world accorded the US-led allied forces in the Gulf last January.

While US experts are ostensibly debating on the military option against North Korea as "states that openly threaten wanton mass destruction must be put on notice that the US reserves for itself a policy of pre-emptive defence against their weapons," the rest of the world, particularly the Third World, should take due stock of the whole affair and make a firm stand [text illegible] way. But whatever the case for the non-proliferation of nuclear weapon, the moot point is whether the rest of the world should stand mutely when a superpower threatens another country on grounds of a perceived nuclear threat from the later.

There already are several countries that make up the exclusive band of nuclear powers and it is especially these countries that raise the threat of nuclear weapons from some other nations. It is hypocrisy at its height. Indeed, the more the number of nuclear powers, the greater the risks for the world. But to conclude without reservations that the world is any safer to its fullest by merely limiting the proliferation process, would be naive.

The United States, for instance, would not hesitate to continue research on more deadly weapons than it already possesses in awesome, lethal volumes in its arsenals. Should it produce something much more

deadly than it already is equipped with, it would be little surprising if Washington sounded notes of "serious concern" over the perceived threats of similar weapons from other countries.

In other words, the United States would want to legitimise its superpower status on a permanent basis without any competition or threat of contest from other nations, especially from those that did not see eye to eye on matters of political ideology, economic policies or some other similar issues. Can the world—or should it—afford such a relentless process unchallenged?

The US policy on nuclear weapons has been glaringly inconsistent because of the double standards applied. Take the case of Pakistan, the Pressler amendment was applied to Pakistan only recently but following Washington's satisfaction that Soviet troops were out of Afghanistan and its strategic interests were no longer as much as it had been earlier when it poured in billions of dollars worth of weapons and financial assistance to Islamabad and the Mujahedeen guerrillas who are still fighting the Moscow-backed Najib Government in Kabul.

All along, i.e., since late 1979, some countries, including India, had raised strong suspicions that Pakistan was progressing towards going nuclear. The Bush Administration, like its predecessors, chose to turn a deaf ear to such suggestions but woke up to their calls only after its perceived strategic interests no longer existed, what with the Soviet strength as the only other superpower crumbling. Moreover, the Pressler amendment has been applied discriminating against Islamabad while nothing of the kind is being done to Israel.

It is strongly believed that Tel Aviv either already has a nuclear weapon or is in a position to produce one without any difficulty. The United States has not launched the type of drive it is currently applying against Pyongyang as far as Tel Aviv is concerned. And yet, the US aid to Islamabad has been drastically reduced because of the application of the Pressler law which does not allow and flow without verification that the recipient country is not seeking nuclear ambitions. Israel, however, accounts for the single-largest volume of US aid, year after year.

For other countries—say, us in Nepal—a nuclear Israel could be as much as threat to global peace as would a nuclear North Korea. If the comity of nations were to launch a concerted campaign against any more nuclear proliferation, the policy should be consistent and indiscriminatory.

Washington would not have sounded as serious as it currently seems to be over the issue of North Korea's suspected nuclear ambitions were it not for a world increasingly sliding towards a unipolar situation. But to condone such threats of military option against another country, as Washington is doing now against North Korea, would have serious long-term implications. Silence from other countries would set a precedent that any "perceived" weapons threat from a weaker country could be met with military action from a stronger nation.

This is by no means to support the proliferation of nuclear club members but the Third World countries should not lag behind in taking a firm stand on the issue. North Korea is a member of the Non-aligned Movement and a latest member of the United Nations. A superpower cannot be allowed to play the role of a supercop at its picking or choosing. Washington's tendencies have been to hit the weaker but turn a blind eye to a relatively stronger country.

Recently, it appears that the terrorists who bombed a Pan Am aircraft over Lockerbie in Scotland, killing 270 persons in 1988, have been linked with Libya's strongman Col. Mu'ammarr Al-Qadhafi. The United States is considering what action to take against the Libyan leader. If there is irrefutable evidence, some sort of action might be necessary but to act on the basis of certain circumstance would be unwelcome. In this regard, Britain is likely to side with the US decision, whatever it might be. But here again one may point out that the British government has not been able to even speak strongly against the Iranian rulers on the question of the *fatwa*—edict—sanctioned by the Teheran regime since February 1989 against British writer Salman Rushdie who has been provided with government guards. The *fatwa* calls on all Muslims to kill Rushdie on grounds of his "blasphemous" *The Satanic Verses*.

Constant Fear

Rushdie the other day castigated the British government for not pressuring adequately enough the Teheran rulers to lift the *fatwa* against him. Meanwhile, the noted writer lives in hiding in a state of constant fear for his life. But then Iran is no Libya or, for that matter, even North Korea. This all only underscores the need for saying no to any country acting beyond the UN sanctions and playing the role of supercop created and assigned by the actor itself.

Nation's Prosperity Seen Linked With Indian Growth

92AS0401A Kathmandu THE RISING NEPAL
in English 29 Nov 91 p 6

[Article by Madhukar Rana: "Indo-Nepal Economic Linkages: New Vistas for the 21st Century"]

[Text] The Indian economy is far too important for Nepal to ignore. This is the lesson we have learnt from the grand debacle of 1989 when we had to abruptly opt for trade with India on the basis of the most favoured nation (MFN) provision and transit through one point in Nepal only.

At that time we were diverted from being an economy that was more or less "India-locked" to one locking out India, as though it did not matter or provided no more opportunities. The consequences were calamitous. The price paid in economic terms was colossal.

For example, the loss of GDP [gross domestic product] was nearly 3.0%! With the clamping on of Indian tariffs at 100-225% to conform to MFN, the non-agricultural

sector, which was the hardest hit sector, experienced a decline in output somewhere in the region of -4.5 to -5.0%.

Similarly, inflationary forces were set in motion in the economy with prices rising annually by more than 15%. The government coffers were emptied by something like Rs.[rupees]2 billion or 22% of total revenue as customs revenue mainly dried up. No data are available on the extent of capital flight, which one expects to have been significant. The investment climate deteriorated.

And both the investment climate and capital flight positions deteriorated yet further with the unwise decisions made by the Interim Government to force savings from civil servants' salaries and introduce the wealth tax.

In sum, the leverage of the government over short-term macro-economic policy variables was lost. Devaluation was the only choice available to it with all its hardships on the consumers, especially the poorest of the poor.

Ironically, despite the various plans' primary goals being always the same—to eradicate absolute poverty—the Panchayat government's carefree attitude to efficient management of the economy, especially to providing it with an export-led orientation has probably resulted in entrapping a larger percentage of people in the poverty trap than ever before!

In short, the breakage in the traditional economic relations with India put into place an economic slide with multiplier effects, which neither the Interim Government nor the present Congress Government have been able to arrest. Even now, as we prepare to negotiate a new treaty with India, the economy is suffering from an acute case of stagnation with inflation with no signs of a turnaround in sight yet!

And the weather has been most uncharitable to the present regime causing it to recourse to the unprecedented action of importing food from India! This latter phenomenon of moving from a food-exporting to a food-importing country marks a watershed line in respect of not only the failure of our agricultural policy but also acceleration of our further dependence on India.

Towards a New Horizon

The *status quo ante* is now prevailing in Indo-Nepal economic relations. This is to say that, pending a new treaty, the treaty of 1978 is in effect. To put it summarily this treaty provides for MFN together with free reciprocal trade in agriculture (introduced for the first time ever in 1978); non-reciprocal, unilateral preference from India for Nepalese non-agricultural products having not less than 60% Nepalese and/or Indian materials and labour content in the product's final price; refund of excise duties by the Government of India to His Majesty's Government provided that the duties on third country goods are no less than the rate of excise duty prevailing in India, and a general commitment to provide to Nepal goods which are controlled either in price

or quantity or both (so-called "quota goods" such as coal, iron ore, steel goods, etc. which largely served the construction sector).

It is obvious that with the above provisions India gave duty free access for Nepalese products into its markets for all agricultural products and a limited range of industrial products. The preference to Nepal was in relation to access to say Bangladesh, Sri Lanka, etc.

But one problem still remained. How best to compete in the Indian markets with Indian nationals? To this question, Nepalese policy-makers and planners never addressed themselves and so there was no economic strategy to maximise the opportunities from such a treaty! This is where we faulted. We were unable to balance our need for diversification of markets with diversification of our products.

We went overboard, perhaps too politically-honed, with diversification of markets at any cost (i.e., the cost of the bonus voucher scheme, organised smuggling by the trading houses, etc.). A wise strategy would have been to target given products and services onto the Indian markets and then, as these products and services make gains in quality, gradually enter the world markets with them.

The other strategic mistake that we made was to refuse to trade with India selectively on the dollar basis, fearing that, if so, they may choose to revert to all trade in dollars.

Actually, one thinks that India, on the contrary, wishes to keep the exchange regime as is in order to reinforce it with their strategic need for open borders and free movement of peoples to each other's territories. And so His Majesty's Government would refuse to sanction dollars for sugar, cement, etc. to India while doing so at a higher price for purchases from Thailand, Indonesia, etc.

Another possible reason, of course, could be the government's vested interest in the Indian excise refunds, which goes to show that a government's interest can be at the cost of the people's interest! And to cap the act of irrationality Nepal would, at the turn of the year settle the Indo-Nepal balance of payments' accounts by buying rupees against Nepal's dollar reserves!

Here was an act of policy which gave to India both the dollars and higher prices for the goods for which the consumers had to bear the burden. Again, because of political compulsions, Nepal was blind to the economic wisdom that the best foreign trade policy is to buy from the cheapest source and sell to the dearest market; and the best foreign exchange policy is to maximise the convertibility of the national currency.

a. In the Short-Run

Towards a new horizon, it would not suffice to simply renew the 1978 treaty with the addition of a preferential clause for Indian heavy consumer products (e.g., washing machines, TV, videos, refrigerators, etc.) into the

Nepalese market. We should refrain from entering agreements where such interlocking preferences may be at the cost of discrimination of third countries where trade is being carried out in convertible currencies.

In such a case, it may be wise to trade in goods such as those proposed by India in dollar terms since, also, it will help setting up eventually these industries in Nepal for import substitution or for exports to India and the rest of the world.

It would not suffice for another reason. The treaty of 1978 is, if anything, of very short-term orientation concerned simply with Nepal's need for supplies of "quota goods" from India—given liberalisation such goods may not exist anymore: and the provision of access to Nepalese "industrial products", which because of the strict conditions were tantamount to no more than artisanal products from village households. Or, as stated earlier, it was never executed with any degree of seriousness by Nepal.

On the contrary, it might have had the ill-effects of promoting low-value-added industries whose raw materials or products could easily be smuggled into India. Hence India's insistence on the third treaty which serves as a double-edged knife to control bilateral trade as also Nepal's transit rights.

Nevertheless, it must be admitted that if there is political will on both sides to co-operate, even this treaty, as is, can be given a mid-term or long-term vista by the Indo-Nepal Joint Economic Commission.

One has outlined some of the possible approaches above. An additional perspective might arise if India can guarantee specific markets for specific products and services for specific durations. In this way Nepal may be able to put in place India-targeted Export Promotion villages (EVPs) or Export Promotion Zones (EPZs) alongside the creation of Nepalese industrial purchasing and marketing houses in India; the establishment of Nepalese banks where there are large numbers of Nepalese citizens in India, etc.

Further, the Indo-Nepal Joint Economic Commission could put its collective wisdom to use in identifying sensitive goods where trade can take place bilaterally in dollars so as to erode the need for the third treaty. And, yet again, the Commission can design simplified procedures for examination of the rules of origin for given products to receive the industrial preferences.

Similarly, the Commission could address itself to enhancing the free flow of goods and services together with two-way movement of entrepreneurship, capital, and technology for mutual benefit. To-date, while there is free movement of labour between the two countries, the same cannot be said of capital nor technology, which is too restrictively regulated by the licensing authorities, especially in India.

If the short-run, the challenge facing the Commission is to recognize that the Nepalese economy has been unable

to make a breakthrough for a self-sustained growth because of its inability to incorporate an export-led development strategy.

Nevertheless, despite the statement of propaganda by the Interim Government, in the past few years (up to the time of the grand debacle of 1989-90) it can be said that the signs are encouraging with average GDP growth in the region of 4.0%; an expected fall in the fertility rate; the growing importance of the urban centres which are beginning to operate as growth poles, the expanded partnership of private enterprise and entrepreneurship, etc.

One supposes that a political will geared to lowering Nepal's balance of trade deficit with India (which in 1987-88 was Rs. 350 crores in India's favour and was 2.33 times larger than the volume of Nepalese exports to India!) in a time bound manner (say by 1995 to 50% of the given export import ratio) would open up unprecedented opportunities for a breakthrough for mutual benefit.

b. For the Long-Run

The best relationship are those that have sighted their long-term landmarks. In the long run, Nepal must succeed in modernising its agriculture in order to abolish absolute poverty and transform its economy. It must develop only in harmony with nature if it is to preserve its natural heritage.

It must have a dynamic manufacturing and service industrial base in order to absorb the growing labour force and enhance the national science and technology capacity. And, more than ever, it must do all these things while remaining an integral part of the global economy.

For all these things to happen, it must seek free movement of capital, technology, and labour not only with India but the rest of the world. It must, for the latter event to take place, move toward full convertibility of the Nepalese rupee as this is what accelerates the flow of foreign investment into any country, especially small nations not endowed with natural resources.

Keeping the economy wide open to one neighbour, while shutting out the rest of the world, has the possibility that Nepal may become the exclusive economic zone of India, which perhaps neither country intended.

In the long run, it is not going to be "customs' union" or "economic union" with India that Nepal seeks because of the asymmetry between the two nations. If free trade with full convertibility is available, then of interest would be to examine the USA-Mexico or USA-Canada model in order to derive our very own.

As India merges its economy with the rest of the world's one cannot but help feeling that for peripheral nations, like Nepal, grand opportunities are arising. For one thing, an opening up of the Indian economy augurs well for mega-projects of a transformational nature by allowing the participation of third countries (e.g.,

projects for harnessing the Himalayan waters for hydro-electricity, irrigation, inland navigation, afforestation, etc.). Countries in the periphery realise that it is the hub that moves the spokes and in so doing all parties benefit.

Eventually, one many speculate about the long-run. As South Asia rises from its marginal status in the world's economy, no doubt it will grow closer to the other prosperity centres, and, in the process, transform itself to yet another co-prosperity centre. Thus we can imagine a prosperous India, our hub now, as having at least three prosperity zones, each in turn propelling its regional economies.

As for example, the north east zone ranging from Delhi-Kathmandu-Calcutta-Dhaka-Rangoon-Bangkok-Vientiane-Phnom Penh-Hanoi; or the western zone comprising of Bombay-Karachi-Dubai-Riyadh-Baghdad; or the southern zone comprising of Hyderabad-Bangalore-Madras-Colombo-Male-Kuala Lumpur-Singapore-Jakarta.

Communists Said Leaving NCP(UML)

92AS0401G Kathmandu THE MOTHERLAND
in English 26 Nov 91 pp 1, 4

[Article: "Communists Keep Quitting NCP (UML)"]

[Text] Twenty more activists of Nepal Communist Party [NCP] (UML) [United Marxist and Leninist] have left the party.

Included among the 20 active members of NCP (UML) who have left the party are founder president of Nepal Independent Labour Union affiliated to UML Kamal Bahadur Lama, founder secretary of the union Laxmi Bahadur Karanjit and founder member Dilip Raj Wanta, founder president of Lalitpur district committee of the union Shiva Shrestha and president of Balaju Industrial District unit of the union Roshan Thapa.

All the twenty-activists of UML party in a press statement published here have said that they have joined the Nepali Congress.

In the statement they have charged that NCP (UML) was becoming more and more dictatorial, a trend which had become irrelevant all the world over.

They have also stated that it had become necessary to further strengthen the hands of Nepali Congress which has been providing leadership for democratic movement in Nepal for the last five decades.

Reports from Syangja says district committee leaders of the district have joined the newly formed Nepal Communist party disassociating themselves from UML party.

In a statement published, they have charged that the central leaders of UML had wrongly interpreted the active role played by them.

Besides, ten active workers of NCP (UML) of ward nos 19 and 30 have announced their disassociation from UML in a statement.

Meanwhile, another report says that 26 active workers of UML of Kappan, Chunikhel and Baluwa village development committee Kathmandu have left UML party and joined Nepali Congress.

Politics Said Moving Back 'to the Streets'

92AS0401F Kathmandu THE MOTHERLAND
in English 30 Nov 91 p 3

[Editorial: "Brinkmanship"]

[Text] Politics is likely to [return to] the streets soon after Prime Minister Girija Prasad Koirala returns from his India visit. Nepal's relations with India and the economy are likely to be the two major rallying points for the opposition. If emotional question on nationalism are likely to be exploited on the India question, real matters of the purse which the people are finding hard to face are likely to generate more support on the streets. Despite government lumping the economic woes with that of a supposed price hike internationally and dumping the current inability to cope on the panchayat regime, the people are aware that it is. Mainly the government policy that has precipitated the severe price hike the country has ever seen. [previous two sentences as published]

Prime Minister Girija who is yet to come clean on the agenda with India must make sure that his people back him on his standpoints for the success of his visit. The fact that he has not so far divulged the Nepali point view in New of Delhi is likely to work against his favour when it comes to facing his people on the streets. On the other hands, government refusal to admit that it is taking up the wrong tools for economic development and must change its concept on capital and money flow radically in order to reverse the current situation is going to work against it. It is remarkable and, even, disappointing that the opposition has yet to come up with options to government policy.

New Panchayat Party Said Forming

92AS0401E Kathmandu THE MOTHERLAND
in English 28 Nov 91 pp 1, 4

[Article by Govinda Rajbhandari: "Yet To Be Announced Panchayat Party Vying for Third Force"; quotation marks as published]

[Text] Pamphlets were massively distributed from a three-wheeler auto rickshaw in Kathmandu yesterday by a so far not known National Democratic Integrated Panchayat Party.

A couple of young men stopping the auto rickshaw at place where people congregated spoke by using microphone about the excess committed by the ruling Congress Party.

They also called upon the people to take to the streets to oppose the government for raising prices of a number of things.

The pamphlet which gives no name of the leaders of the panchayat party says the present Council of Ministers

trapped in the labyrinth created by the interim government is blatantly indulging in corruption to make the country bankrupt.

It has charged that the Congress government is out to massacre democracy as is evident by its not celebrating Tribhuvan Anniversary on the 7th of the month of Falgun.

It is asked what justification the government has for raising the electricity charge by 61 percent and hike telephone tariff by 50 percent.

According to the pamphlet it is absurd to raise water tax by 50 percent while the supply of water was scanty.

It has also questioned the rationale of raising the prices of daily consumer goods like pulses, rice, potato, milk and kerosene.

It is nothing but political arrogance of the party in power to deprive the foot-path vendors of their right to sell things on the foot-path just to eke out a living.

Some of the former panchas when contacted on telephone about the panchayat party which is not so far formally announced as a political party said that the former panchas who have not yet joined any of the existing political parties were trying to feel the pulse of the people whether they still resented the term 'panchayat' or not.

Without naming anybody, they said there were still large number of panchas who subscribed to democratic ideology but have not yet joined the two National Democratic parties of former panchas and are making efforts for the merger of the two parties by discarding those who still hold senior posts without changing their attitude and working style.

One of the former panchas who requesting anonymity said that the miking was done yesterday to see the response of the people to the panchayat party yet to be formed formally.

He said that the people did not really resent the use of the term 'panchayat' fed up as they were with the pangs they are suffering from under the present regime.

He also remarked that Nepal Communist Party (UML) the second largest party in the parliament is fast losing its popularity with the people while the Nepali Congress in the government is becoming more arrogant and if this state of affairs is to continue the country will soon be in a political chaos.

He added that sections of former panchas who always thought that partylessness was an unrealistic plank of the panchayat and that was what democratic minded people abhorred most, Panchas who have become acceptable to Nepali Congress can also be acceptable to the people if they can emerge in an organised manner as the third democratic force, he further added.

He noted panchas could not join any of the communist factions and there was no point for well-meaning former panchas to join the two National Democratic parties

headed by people who had the most of the panchayat system when they were at the helm of affairs under the panchayat system.

The new party will provide an opportunity, he continued, to all those democratic panchas who genuinely believe in pluralism and somehow find the operation style of Nepali Congress unacceptable, let alone that of the different brands of Communist parties.

He was however of the opinion that the best two National Democratic Parties do was to hold their joint national convention welcoming all those, who had joined none of the political parties to participate in the national convention so that they could contest election for the party posts. A party thus formed can have all the democratic credentials, he said.

Bhutanese Refugee Number Reaches 5,000

92AS0401H Kathmandu *THE MOTHERLAND*
in English 30 Nov 91 p 2

[Article by RSS: "Bhutanese Refugees Increasing"]

[Text] Bhadrapur, Nov. 29: The number of Bhutanese refugees living on the banks of Kankai river and Tamai Khola in Jhapa district has gone up to 5,500, it is learnt from the sources concerned.

Some of them are reportedly trying to contact their relatives living in different parts of Nepal.

Native and alien-social organizations have been providing them cloths, medicines and utensils.

Foreign TV Programs Seen Devastating Local Culture

92AS0401D Kathmandu *THE RISING NEPAL*
in English 22 Nov 91 p 7

[Article by Kamal Tuladhar: "Culture In the Modern Age: Is Our Culture Going To Be a Thing of the Past?"; first paragraph is *THE RISING NEPAL* introduction]

[Text] Unless the radio and television begin to offer programmes in local languages, talk of cultural development can only be a farce.

Many school kids in Kathmandu know birthday celebrations only as blowing out candles. And for those who don't know, the media is very well equipped to make them feel inadequate.

The traditional ceremonies, that helped to strengthen family bonds and enhance religious inspiration, are being abandoned.

They do not fit into the modern image, and need to be discarded—more as an assertion of upward mobility and modernization than practicality.

Religious festivals that teach harmony and interdependence in society are going out of fashion.

The annual worship of the family deity, for example, brings together the entire clan for a few days of feasting and celebration of the cooperative spirit. These days,

such ceremonies are being curtailed, because people are more interested in other pastimes.

As these traditions break up, it is becoming so that relatives hardly know each other. With the growth of nuclear families, the process of depreciation of social values is accelerated.

The happy birthday choruses indicate the weakening pull of our culture aggravated by the audio-visual media. When these children grow up to be adults in the near future, what will the cultural face of the country look like?

One that may be difficult to recognize, for sure.

And in Kathmandu, even more so as rampaging urbanization knocks down the city's religious monuments.

Today, there is a renewal of interest in the preservation of cultural heritage. The stress of modern living, the breakup of traditional social cohesion, the visual disintegration of the environment, and a growing fear of possible cultural oblivion in the future are some of the causes responsible for this trend.

In these uncertain times, people are seeing the need to rediscover their cultural roots.

These efforts are necessary not only to preserve the rich heritage, but also as a desirable way of life in preference to the empty materialism of present times.

One of the manifestations of this movement can be seen in the proliferation of youth organizations devoted to cultural preservation.

Concerned by the swift demolition of local traditions under the onslaught of foreign pop media, these groups have set as their primary goal the preservation of local music, dance, literature and religious traditions.

One such cultural organization, the Nepal Sanskrit Guthi, was inaugurated last week. And the ceremony was opportunity to examine the position of culture in the modern scheme of things.

One of the speakers, Dr. Saphalya Amatya, who is acting director-general of the Department of Archaeology, pointed to the contradictions bedeviling the culture scene.

The traditional guthis are in decline because of the loss of their farmland to aggressive urbanization. As they lose their sources of income, the functions that they looked after, like maintenance of temples and organization of festivals, are no longer possible.

And it is an irony of our times that these guthis survived hundreds of years, only to disintegrate in this modern age when we should have been better able to support them.

Our standard of living and level of education are greater, and we have money to spend on videos, but we invoke lack of resources to defend our lack of action on the culture front.

What is needed most, said Dr. Saphalya Amatya, is mental transformation—to reinsert pride in our cultural and religious values.

With the radio and TV blaring away the kind of programmes that they are now, this is going to be a little difficult.

Television air-time has become dominated by irrelevant foreign programmes, or irresponsible domestic products that try to outdo Bombay gore.

Viewers are kept uptodate with such thrilling programmes like the ice hockey semi-finals between Oregon and North Dakota and so forth.

These exciting episodes are interspersed by the wailings of Beethoven, Tchaikovsky and Strauss, as well as a commentary on the aquatic life of the blue Danube—as if to ensure the continuing modernization of the Nepalese population.

Then there are the movies from various countries around the world, and in as many languages. One wonders if the Nepalese people have no culture of their own.

The culturally destructive effect of our electronic media was the theme of another speaker at the inaugural function, Dr. Ram Dayal Rakesh.

The multi-cultural and multi-lingual realities of the country need to be respected, he said. The diverse cultures spread out over the mountains, valleys and plains make for the richness of our national culture.

When our national electronic networks should have been acting as a countermeasure against international satellite telecasts, they seem to be taking the ludicrous course of attempting to supplement them.

Whether to prevent viewers from pointing their dish antennas at foreign satellites or whatever, our national networks—by acting like relay stations—are in effect doing their jobs for them.

The loser in the end is Nepalese cultural identity. And the way indigenous culture is being obscured can be seen all around.

The birthday bashes of candles and cakes is just one of them. Many parents don't know what's going on, except that their kids must be doing something modern, and are prepared to spend.

It is all right for parents who can afford to. But those who can't are forced to keep up, for fear of being labelled narrowminded. Then there are the parents who feel proud announcing that their children don't know their own language and traditions—if it were a mark of prestige.

The schools, naturally are tempted to take advantage of this feeling among parents. And in order to attract enrollment, they attempt to depict themselves as being more foreign than the foreigners themselves.

The things children are being taught in school, and the things they are being shown on television, have combined to become too powerful an attraction for local cultural institutions to compete with, and they are beginning to crumble.

Many people have become ashamed of their cultural identity. The glorious traditions are good topics for intellectual discussions, but many wouldn't be seen dead practicing them.

For some, it is expedient to suppress their backgrounds out of perceived embarrassment, and blend into the anonymity of a face in the crowd. Others are forced out of social, political and economic pressure to conform to the dominant culture.

In the Kathmandu Valley, the indigenous culture is being overwhelmed by the massive influx of new settlers.

There are also those who see abandoning traditional values as a procedure in upward mobility, just for the sake of it if anything.

Like when building a new house, many people want the kitchen to be situated on the ground floor—regardless of the practicality of the change—because that's the way it is done in the movies.

In contrast to the ideal propagated by the proponents of modernization and the electronic media, there is growing assertion and appreciation of traditional culture among sections of the younger generation.

The chief guest at the inaugural ceremony of the Nepal Sanskritik Guthi, Speaker of the House Mr. Daman Nath Dhungana, said as much.

This organization is a reflection of the awareness about culture that is spreading in the country, he said. Nepal is known around the world for its culture; and once this is lost, we will not have much to show for ourselves.

However, the success of these culture clubs, in getting people to take some interest in their heritage, can be measured by the sparse attendance at their gatherings. The reasons are not hard to seek.

Their activities have been concentrated chiefly on appealing to idealistic sentiments, or emphasizing the validity of past traditions. Against the hard realities of everyday life and the massive pull of modern culture, such efforts cannot compete in attracting sympathizers.

It is easy to praise traditional music or ethnic food, but how many people are ready to face the risk of ridicule by providing such fare at their parties?

And as the mystique of religious ceremonies is exposed by endless PhD papers, they are able to command less awe than in the past. Treating religious dances like tourist spectacles has the same effect. During the last Indra Jatra festival, masked dances were turned into a dance competition with ridiculous first, second and third prizes for the gods and goddesses.

The cultural traditions are a big draw for the tourism industry, and it is right that they should benefit from such income.

But this would have been better achieved, and without any denigration of these rituals, if part of the income from tourism was contributed into the guthi funds—in the form of annual stipends from the government—instead of insulting cash awards.

This way the tourism industry benefits from culture as an attraction it can offer to tourists, and at the same time, the funds ensure the survival of the festivals and the dance and music traditions.

There is also another lesson to be learnt from tourism. Many crafts and traditions owe their revival and continuing survival to tourism, as much as to public attachment. This was because of the prestige associated with these traditions as a result of tourist attention. They could otherwise have been subject to ridicule as old-fashioned, and speeded up on their way to extinction.

In the same way, the slide into cultural oblivion cannot be countermanded by appealing to idealistic sentiments, or emphasizing the validity of past traditions.

Since culture is usually perceived as an unnecessary throwback to the past, and there is a natural attraction for upward mobility, indigenous culture has no chances of surviving without an elitist image—as something to emulate.

Language lies at the root of cultural development. Unless the radio and television begin to offer programmes in local languages, talk of cultural development can only be a farce.

Such powerful audio-visual media must not be allowed to go on the rampage of undoing a culture built up over thousands of years.

It is easy to dismiss cultural erosion as an inevitable part of modernization, but there is no satisfactory explanation of what constitutes modernization.

It is necessary to remember that, no matter how developed or modernized we become, the values of our religious and cultural traditions are always important for our well-being.

Five-Year Economic Plan Detailed

92AS0401C Kathmandu THE RISING NEPAL
in English 3 Dec 91 pp 1, 7

[Article: "Development Main Thrust of Eighth Plan: Dr. Mahat"; first two paragraphs are THE RISING NEPAL introduction]

[Text] Kathmandu, Dec. 2 (RSS): The total outlay of the eighth five year plan of Nepal (1992-97) is expected to be Rs.[rupees]190 billion.

As stated in the approach paper of the Eighth Plan, the total and sectoral investment requirement of the Eighth Plan is 26.2 percent in agriculture, 19.6 percent in finance and real estate, 15.7 percent in electricity, 13.7

percent in transport and communications, 9.4 percent in manufacturing and industry, 8.2 percent in social services, 4.2 percent in trade and restaurant and 3.0 percent in construction.

At a press conference held in this connection by the National Planning Commission here today, Commission Vice Chairman Dr. Ram Sharan Mahat said in the Eighth Five Year Plan, special priority will be accorded to agricultural intensification, and diversification, development of rural infrastructures, reduction in population growth, employment generation and human resources development, industry and tourism and export promotion and diversification.

Likewise, energy development, macro-economic stabilization, public administration reform, and monitoring and evaluation will also receive special priority in the eighth plan period, he said.

Speaking about the basic difference between the seventh and eighth plans Dr. Mahat said a clear principle of development, village-oriented plans, emphasis on the role of private sector, principle of much profit from less investment, formulation of plans on the basis of means, resources and capacity and firm political commitment are some of the major factors which make the eighth plan distinct from the previous one.

Manifesto Basis: Considering the objectives and principles of the Nepali Congress mentioned in its manifesto the main basis, the eighth plan has been formulated bearing in mind the unanimity of all parties on the question of the country's development, he said laying stress on the policy of investing 70 percent of the total outlay in rural areas in the plan period.

He also disclosed that out of the total outlay 66 percent will be invested by the private sector and 34 percent by the government.

Out of the total gross investment, 59.7 percent will be financed through national saving and 40.3 percent by means of foreign grants and loan.

It is also estimated that by the end of the plan period, employment opportunity will be increased by 3.3 percent and the rate of national saving will be increased from 13 percent to 16.5 percent.

Objectives: The main objective of the eighth plan is to give the country a definite direction towards the socio-economic uplift of its citizens by overcoming the problems of economic stagnation and poverty, structural distortions, environmental degradation and rapid population growth.

It is stated in an approach paper of the eighth plan that although all these problems cannot be solved in a short span of a five year plan, definite steps should be taken to solve them and this is what the eighth plan strives to do.

Economic Growth: Considering the fact that economic prosperity is not possible without achieving a higher, sustainable rate of economic growth, the eighth plan aims at the achievement of a higher rate of sustained economic growth.

Private Sector: The plan aims to achieve this objective through the participation of the private sector and through an enhanced rate of participation by the people at the community level.

Labour Productivity: The main effort will be oriented to increasing the productivity of labour and the efficiency of economic investments areas of high comparative advantages will be identified in agriculture, industry, tourism and other sectors.

Low Cost Power: It is also said in the approach paper that as comparative advantages exist in areas where low cost hydropower and other natural resources can be used in production processes, the main approach will be based on infusion of improved technology and adoption of institutional innovations.

Sustainable Growth: Stating that the sustainable economic growth implies management of available bio-physical resources in the most productive manner without depleting or damaging these resources it has been stressed that the demand on the bio-physical resources should not be greater than their sustainable supply capacity.

Population Control: If the present population growth rate continues, it may not be possible to continue to meet the needs of the population without causing permanent damage to the existing bio-physical resource base, the approach paper said. Pointing out the need for reduction in population growth rate to achieve the objective of sustainable economic growth.

Poverty Alleviation: As the country's population below the poverty line is increasing and the poor are overwhelmingly concentrated in the rural areas, rural poverty alleviation is the biggest challenge to the government, the approach paper says, adding that poverty is also the root cause of Nepal's current problems of population growth, environmental degradation and social ills. Therefore, poverty alleviation will be one of the main objectives of the plan.

The extent of poverty will be assessed and quantitative targets will be set for poverty reduction, it says.

Excessive population on a limited economic base and slow economic growth are the basic causes of poverty, while the weak economic base is the result of natural disadvantages which hinder economic growth—an early stage of development, a low productivity, subsistence agriculture and lack of growth in non-farm activities.

Employment: In an effort to alleviate poverty emphasis will be laid on the creation of productive employment opportunities, the expansion of social services like

health, education, vocational training and drinking water, conservation and the efficient management of natural resources.

As part of the planning and implementation process, target oriented programmes will be implemented to reach those people below the poverty line, the approach paper says.

Rural Development: It is also stated in the approach paper that the eighth plan will focus on rural development and regional balance to cope with the hill-to-terai and rural-to-urban migrations.

Taking into consideration the regional complementarities caused by existing agro-ecological conditions, the potentialities of existing and future growth axes will be emphasized to take advantage of the such conditions.

Economic enhancement of villages through the increased delivery of social, economic and market services, increased access to drinking water and the development of alternative forms of energy, is essential to their transformation into sustainable villages in the near future, in accordance with the general objectives of the plan, it is said.

NTIS
ATTN PROCESS 103

2

5285 FORT ROYAL RD
SPRINGFIELD VA

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.